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NEWS SUMMARY

GENERAL

Weighell calls on Callaghan to resign

Railwaymen's leader Sid Weighell has called on James Callaghan to resign as leader of the Labour Party.

Mr. Weighall, a moderate, said there was a group in the party executive who were constantly trying to undermine Mr. Callaghan's standing as leader and so long as that continued "I think it would be better for him to go and let somebody else come in."

The NUR supported the party leader against the Left-wing at the Labour conference and Mr. Weighall said he intended to continue the fight against their bid for control. Back page

EEC pressure

Britain is likely to be pressed by EEC partners this week to relax its tough stand against helping French sheep farmers at the expense of the Community taxpayer. Two main as yet unsettled questions concern how to limit lamb exports from non-EEC suppliers and how to protect member farmers against the drop in prices resulting from free trade. Back Page

Murder charge

Three men will appear in court today charged with murdering Mrs. Ann Carryer and Mrs. Christine Blood, found dead at a country mansion near Congleton, Cheshire, last Monday.

Nuclear question

Defence Secretary Francis Pym is to be questioned in the Commons about a computer error which set off a false alarm of a Soviet missile attack on the U.S. Labour MP Robert Cryer will urge Mr. Pym to cease attempts to replace Britain's nuclear weapons when Polaris is scrapped.

Cabinet change

President D. Moi of Kenya is expected to announce a major reshuffle of his administration following the defeat of one-third of his cabinet in the general election last week. Page 2; Editorial comment. Page 18

Mayor jailed

Israeli military authorities have jailed the mayor of Nablus, the largest town on the occupied West Bank, in preparation for deportation because of his support for the Palestine Liberation Organisation. Page 2

Potholer lost

More than 120 rescuers took part in the search for potholer Jeremy Peterson, 25, missing in the complex North Yorkshire Gaping Gill system since Saturday. Volunteers from all over the North joined an RAF mountain rescue team in the hunt.

Back to basics

The Government is to publish plans for a basic core of subjects, including English, mathematics, a science and a foreign language, to be taught in secondary schools in England and Wales. No child would be allowed to drop the four subjects before the fifth form.

Welsh 'ghetto'

Welsh Secretary Nicholas Edwards has defended the Government's decision to drop its commitment to establish a Welsh language service on the fourth channel. He said it would have put the Welsh language into a "ghetto."

Briefly . . .

Clippings of triple Grand National winner Red Rum's hair have been woven into cloth for hacking jackets selling for £250.

Police evacuated 8,000 people from Mississauga, near Toronto, after a train carrying chlorine gas jumped the rails and caught fire.

BUSINESS

Bulk of BNOC oil for UK refiners

● UK OIL REFINERS, notably British Petroleum, are expected to obtain the bulk of £500m worth of crude now being sold by British National Oil Corporation. Forward sales negotiations are nearly complete and a progress report is imminent. Back Page

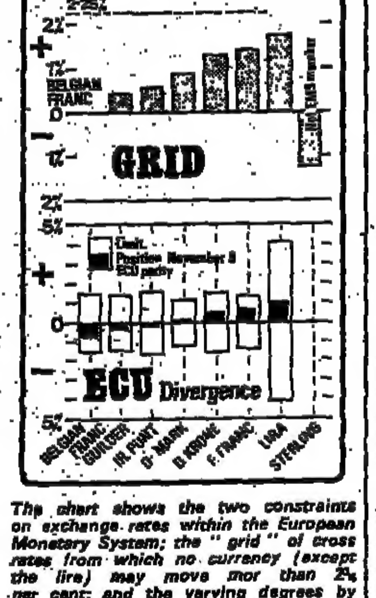
● MRS. THATCHER will demand a substantial cut in Britain's £1.2bn contribution to the EEC budget today when she receives President Giscard d'Estaing for two days of talks. Page 6

● RELAXATIONS in the Davignon plan for protecting European steel industry have angered private sector steelmakers, who account for about 20 per cent of UK output. Their trade association says nearly all proposals will hit independent steelmakers. Page 25

● SURVEY by National Federation of Building Trades Employers shows gradual slowdown in rate of new orders for two sectors of building industry. Page 6

● NATIONAL WESTMINSTER Bank is offering customers the chance to open accounts in over 12 different currencies following abolition of exchange controls last month. Page 4

● EUROPEAN Monetary System underwent little change last week with the Belgian franc again the weakest currency, although not under heavy pressure. The Italian lira remained top of the grouping, followed by the French franc, Danish krone; D-mark; Irish punt; and Dutch guilder. German domestic interest rates eased slightly, taking pressure off Amsterdam money market rates, while Belgian National Bank raised the Treasury bill rates. Despite the strong French franc, Paris call-money rose to 12½ per cent on Friday—the highest level for over three years.



The chart shows the two constraints on exchange rates within the European Monetary System; the "grid" of cross rates from which no currency (except the lira) may move mor than 2¼ per cent; and the varying degrees by which each currency may diverge from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies. The "grid" is always shown by reference to the weakest currency in the system, which is the base line in th top chart.

● ITALIAN retail prices rose 2.3 per cent in October, making a year-on-year increase of 18.2 per cent official statistics show. The trade balance slipped back into the red at the same time. Back Page

● AKER shipbuilding and heavy engineering group of Norway made a small profit of NKr 10.6m (£1.02m) in the first eight months against NKr 40.2m previously. Page 32.

● HONG KONG Air Transport Licensing Authority today opens public hearings of applications for rights to fly new cheap services from London by British Caledonian, Cathay Pacific and Laker Airways. Page 6

CONTENTS

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Iran takes hard line against moves to free hostages

BY ANDREW WHITLEY

Intense diplomatic efforts to free the 100 U.S. and Asian hostages in the U.S. Embassy in Tehran were stepped up over the weekend but produced no sign of a breakthrough.

The mood in Iran appears to have hardened against concessions following an angry speech by Ayatollah Khomeini on Saturday night attacking President Carter.

In a speech over the State radio Khomeini bitterly attacked Mr. Carter's "treachery" and described him as a self-serving politician. The broadcast appears to have reunited many Iranians against a common enemy, healing the growing divisions to appear in their ranks in recent weeks.

Nevertheless, a close aide left the door open for negotiations with the U.S. if Washington publicly recognised what he called "our legitimate demands." and the Ayatollah appeared to lessen the threat of killing of the hostages by describing them as "our guests."

With only a limited number of options available to Mr. Carter. Mr. Abol Hassan Bani-Sadr, recently appointed to supervise Iran's foreign affairs, said no negotiations were possible until the U.S. showed its good intentions.

Mediation efforts by a wide range of parties, from the Palestine Liberation Organisation to the Pakistani Government—over two dozen Pakistanis are among the hostages—appear to be flagging. All the prospects are for a long, drawn-out waiting game.

Britain and other Western Powers will come under pressure today or tomorrow to support the Iranian authorities in their campaign for return of the ailing Shah from the U.S. to stand trial for "crimes against the people."

Mr. Bani-Sadr said he would summon all the foreign envoys in Tehran to a meeting at the Foreign Ministry to ask them to intervene with the U.S.

Outside the U.S. Embassy yesterday some 200 Air Force cadets in uniform took part in a noisy demonstration in support of the Moslem militants' action.

It was the first public action by a branch of the armed forces since the full takeover of power by Khomeini's clergymen a week ago.

The Embassy's occupiers and other sympathisers have declared the start of a five-day fast from today.

On Saturday, the envoys from Sweden, Algeria, Syria and France were permitted to see the hostages. Monsignor Annibale Bugnini, the Papal Nuncio, was jostled and heckled when he made a similar trip yesterday. The captives were reported well, but tired.

Jurek Martin, writes from Washington: The main purpose of Mr. Carter's weekend threat to deport illegal Iranian students was to calm the growing sense of domestic outrage over the incarceration of the U.S. diplomatic mission in Tehran.

The action, it was stressed, was the minimum necessary response to try to ensure that the hostages were released unharmed.

Violent clashes between Iranian student demonstrators and Americans in several places, most notably Los Angeles, gave rise to concern that retaliation would be vented on the captive Americans in Tehran.

So worried was the White House that on Saturday senior executives of the three television networks were summoned and warned of the adverse consequences of sensationalised news coverage of such clashes.

The deportation threat is nothing like as draconian as it might appear on the surface. Whatever its inclinations, the Administration is tied by the rule of law in any proceedings its instigates against foreigners inside its borders.

There are believed to be over 50,000 Iranians in the U.S. classified as "students," most

Continued on Back Page

Rises feared in mortgage and overdraft rates

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE POSSIBILITY of a large rise in cost of overdrafts and mortgage rate faces the Government as it tries to regain the initiative in the City's financial market in the next few days.

This follows the major blows to its present monetary stance last week. Any moves, probably on Thursday, will almost certainly involve a rise in minimum lending rate from the present 14 per cent to a record of at least 15½ to 16 per cent.

It is recognised at the highest levels in Whitehall that Sir Geoffrey Howe, the Chancellor, will have to take a grip quickly on a deteriorating position and exert some sort of leadership.

This has now turned into the first financial crisis since the election and the first test of the Government's commitment to achieving its monetary target, the centrepiece of its economic strategy.

The issue is preoccupying Treasury Ministers and officials. But the full political implications have yet to be appreciated more widely. There is the possibility both of overdrafts costing at least 18½ per cent for the ordinary customer, and of record mortgage rates.

No decision has yet been taken, as the Government is waiting to see the detailed money supply figures. The issue will probably be resolved on Wednesday by the Chancellor in conjunction with the Prime Minister and Mr. Gordon Richardson, Governor of the Bank of England.

Mrs. Thatcher's attitude will be of key importance, since in the summer she had considerable reservations before the decisions to raise MLR to 14 per cent in the Budget.

In the past doubts of various Prime Ministers have usually been overridden by market pressures.

It seems likely that a statement will be made on Thursday combining an increase in MLR with an announcement on the monetary target for the next 12 months and on the future of the "corset" controls on growth of the banks' operations.

The size of the increase in MLR will depend on whether the Government seeks to move in line with the market—up to 15½ per cent—or ahead of it.

Badly affected

This will be affected by whether the big clearing banks decide to raise their base rates before any official lead; so far they have shown little inclination to take the initiative, though this could change.

The Bank of England will have to decide at what level it will seek to sell gilt-edged stock to finance Government borrowing. The present two tap stocks were well out of line with the market after the recent sharp fall in prices.

The trigger for the crisis was the announcement last Tuesday of unexpectedly bad banking figures, which indicated that the money supply has been growing atabove the official target range. This will be confirmed by the detailed figures on Thursday.

The Government is unlikely to gain much comfort from other economic indicators this week with the industrial proing at above the official target duction index for September, due to be announced this afternoon. It is likely to be badly affected by the engineering dispute.

The retail sales figures for October, also due today, will show the extent of any impact from the tax rebates, and later this week there will be both the trade figures and the retail prices index.

The Government faces particularly tricky decisions on both the target for monetary growth and on the corset.

The probable 2 per cent rise in the money supply last month has raised the starting base for the new target period to October 1980.

This might suggest a slight reduction from the present 7 to 11 per cent target range to, say, 6 to 10 per cent, to maintain the same underlying monetary stance.

The problem over the corset controls is that at present they have major loopholes. Although the controls may appear too obsolete and irrelevant to retain, there has to be a plausible replacement.

Consequently it looks likely that the corset may be retained, at least until the major review of the structure of monetary controls is completed within a few months.

Tesco alleges boycott by Thorn Group over price cutting

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THORN IS refusing to supply colour televisions and audio equipment to the Tesco supermarket chain because of Tesco's cut-price policy, according to a complaint by Tesco to the Office of Fair Trading.

Such a refusal would be contrary to the legislation in force for the past 15 years, since resale price maintenance was outlawed in 1964.

Tesco met senior OFT officials late last week and alleged that, after two years of trying to obtain supplies from Thorn, Thorn was still refusing to supply video and audio goods selling under the Ferguson brand. Tesco alleges that the only reason for Thorn's refusal to supply is Tesco's policy of cutting its profit margin on branded goods and selling at a lower price than that recommended by the manufacturer. Thorn said yesterday it was unable to comment until it had received details of the complaint from the OFT.

Tesco's complaint to the OFT is the latest move in the dispute over pricing policies which has existed between retailers and manufacturers since the early 1960s.

Although resale price maintenance was officially abolished in 1964, under legislation steered through Parliament by Mr. Edward Heath, some manufacturers have either refused to obey the law or have found loopholes in its operation.

Earlier this year, the OFT successfully took Hotpoint, a subsidiary of the General Electric Company, to the High Court, over its refusal to supply the Comet discount chain with electrical appliances.

Retailers, such as Tesco, who operate a cut-price policy, claim that manufacturers of cosmetics, cameras, clothing, and jewellery also refuse to supply some discount retailers.

The OFT is keen to tighten up the loopholes in the law, although this may need some legislation.

Mr. Gordon Borrie, Director General of Fair Trading, said recently: "I do sometimes have to take action against manufacturers alleged to be breaking the law and I am concerned about various techniques which come close to resale price maintenance but may not actually infringe the legislation."

The OFT is expected to ask Thorn for its explanation of Tesco's complaint before considering whether any further action may be necessary.

News Analysis, Page 14

Soviet attack on Mrs. Thatcher

THE SOVIET Press yesterday directed a barrage of criticism against Mrs. Margaret Thatcher.

Using the toughest language since Mrs. Thatcher came to power, Pravda, Izvestia and the official news agency Tass all carried commentaries attacking her.

Alexander Bovin, Izvestia's senior commentator, reviewing the tour of Western Europe by Hua Guofeng, the Chinese leader, contrasted British applause for his anti-Soviet views with the refusal by governments in West Germany, France and Italy to abandon detente with Moscow.

"Conservatives are Conservatives, even in a century of progress," Mr. Bovin said, describing their policy towards China as dangerous and irresponsible.

He said that Mrs. Thatcher enthusiastically applauded Chairman Hua's attacks on the Soviet Union, while Mr. Francis Pym, the Defence Secretary, said Britain was ready to sell Harriers and other arms to China.

"London is looking through one eye when it should be looking through two," Mr. Bovin said.

"All people who cherish the interests of peace, and especially States which border on China, cannot remain indifferent to attempts to rearm a country whose policies may lead to conflict."

Quoting a U.S. newspaper which suggested that Britain was playing with fire by ignoring vital Soviet Security interests, he said: "Perhaps Mrs. Thatcher, as an 'iron lady,' is not afraid of fire. But what are all the other British people to do?"

Mrs. Thatcher and Lord Carrington, the Foreign Secretary, are sharply rebuked by Tass for insisting on the need to step up Western defences and negotiate with the Soviet Union from a position of strength.

Tass said their recent statements were a virtual admission that the Conservative Government was not interested in easing international tensions

"Counting on blackmail with regard to the Soviet Union, the present London leaders are deliberately undermining chances for conducting talks with the USSR," said Tass.

According to Pravda the British Government is trying to restore British rule in Rhodesia, exclude the Patriotic Front, and hand over power to people who would maintain the position of the white minority

Reuter.

NATO works on East-West arms control proposal Back Page.

Front 'return' inevitable, says Smith

BY BRIDGET BLOOM IN LONDON AND TONY HAWKINS IN SALISBURY

MR. IAN SMITH, Rhodesia's former Prime Minister, has told the country's 250,000 whites to prepare for the return and active participation in politics of Mr. Joshua Nkomo and Mr. Robert Mugabe, co-leaders of the Patriotic Front guerrilla alliance.

Mr. Smith, who returned to Salisbury yesterday, said he believed that the Lancaster House talks would reach all-party agreement on Rhodesia.

Mr. Smith, now Minister without Portfolio in Bishop Muzorewa's Government said that many delegates had gone to the London constitutional talks nine weeks ago hoping that it would be possible to arrive at an agreement which excluded the Patriotic Front.

The British Government, however, was determined to bring the "terrorists" in. "You cannot exclude them. Everybody's got to be realistic about this. They are going to be here. They are going to be part of our country."

Mr. Smith was accompanied by Mr. David Mukome, Foreign Minister and Bishop Muzorewa's chief spokesman at the London conference, who declared that talks were close to a successful conclusion.

In London yesterday, there was some optimism that the wide gap last week between the Patriotic Front and Britain had been narrowed. But major differences remain.

It is believed that President Kenneth Kaunda of Zambia, who left London yesterday after a four-day visit, may have put forward proposals aimed at bridging the gap. He met Mrs. Margaret Thatcher and Lord Carrington for about six hours during his stay.

It was suggested last night that a compromise might be found on the timing of the transitional period, fixing it at three months from an effective ceasefire, instead of Britain's original two months and the Front's six.

The major sticking point is now believed to be the status accorded to the rival armies of the Rhodesian regime and the Patriotic Front.

Mr. Nkomo said last night that Britain's plan, by failing to give equal status to the rival armies in the transitional administration, "effectively means that our forces have to surrender."

It was important that both forces should have exactly equal status, otherwise the Front armies would have no legitimacy, in spite of the fact that it was they who had brought Salisbury to the negotiating table. Their lack of legitimacy, Mr. Nkomo added, would prejudice their use as part of a new Zimbabwe army.

It was not enough that Britain had conceded that the rival armies should have equal status during the ceasefire.

Under Britain's plan, both forces are to be responsible to the British Governor, who would be advised by a military council on which Rhodesia and Front forces would be represented.

Neither was it right that Britain should declare that these military questions should be resolved once the Front had accepted the interim plan. The question of status was covered by Article 13 of the plan and had to be resolved now, Mr. Nkomo said.

Last night it was not clear whether a compromise might be possible, which could be based on Britain's proposal confirmed last Friday to form a Commonwealth force to monitor the ceasefire.

Force

Britain envisages a force of "several hundred men" which would monitor the ceasefire, but would not intervene to maintain it, as the Front would like. Any attempt to transform such a body into a peacekeeping force seems bound to meet opposition from Salisbury.

Apparently rejecting even the monitoring force, Mr. Rowan Cronje, Deputy Minister for Lands and a key adviser to Bishop Muzorewa, said in a Rhodesian radio interview at the weekend that there was "no question of a third force or any army from the Commonwealth coming in . . . for any purpose whatsoever."

Senior Government officials in Salisbury also dismissed speculation that Bishop Muzorewa might agree to guerrillas being stationed — and armed — in formal or informal barracks during the interim period.

The Lancaster House conference opens its 10th week with a plenary session this morning. After Saturday's meeting, when Britain continued its refusal to accept detailed Front criticisms of its interim plan, this week may see more informal working groups designed to overcome specific points of difference.

The feeling remains that if there is to be the dramatic and rapid progress hinted at by Mr. Smith, it can only come with a major change of view by one of the sides.

S. Korea plans direct elections for Presidency

BY RONALD RICHARDSON IN SEOUL

SOUTH KOREA'S acting President Choi Kyu-hah has proposed that an election should be held to choose a permanent successor to President Park Chung-hee, who was assassinated by his intelligence chief two weeks ago.

In the meantime, the provisions of the existing constituion will be followed, and a new head of state will be *appointed by the* 2,578-man electoral college which last year reappointed President Park unopposed.

However, whoever is elected in this indirect manner will immediately begin working towards constitutional admendments to allow for the direct presidential election. This interim President, widely expected to be Choi Kyu-hah, will step down in favour of a directly elected head of state.

In a televised statement, acting President Choi broke away from the rigid position of the late President Park, who introduced the indirect electoral method in 1972.

President Choi said South Korea "ought to promote political development commensurate with our economic and social growth." *Significantly*, he used the same phrasing as U.S. President Jimmy Carter, who visited Seoul in June and urged President Park to allow normal Democratic processes to develop in Korea.

President Choi urged that people maintain self-restraint during the period of transition, as "any social disorder that may arise would invite another invasion by the North Korean Communists."

In an apparent warning to the Army, which was instrumental in thwarting the coup attempt by President Park's assassin, *Kim Jae-kyu, the former Korean* Central Intelligence Agency director, President Choi said several times that there should be no attempt at "disruption of constitutional government."

A government official said the appointment of Provident Bank's interim successor would take place before the end of this year. He said he expected opposition members of the National Assembly to accept the proposal for constitutional reform. Private contacts with Opposition had revealed "a spirit of moderation," he said.

He added that a "draft Choi Kyu-hah campaign" was already under way among

AP adds: Kim Young-Sam, the Opposition leader immediately denounced the plan as "a big disappointment."

Mr. Kim repeated his call to begin amending the constitution within three months and hold presidential elections in six or seven months.

Bolivia coup leader holds on to power

By Hugh O'Shaughnessy

A BELEAGUERED Colonel Alberto Natusch Busch was desperately clinging to power in Bolivia yesterday despite the refusal of Sr. Walter Guevara Arze, the provisional civilian president, and the Congress to recognise the legitimacy of his ten-day-old military coup.

Colonel Natusch, whose action on November 1 prompted the U.S. to halt aid to Bolivia, received another blow from abroad at the weekend when Venezuela announced it was cutting aid to the country. In the past, oil-rich Venezuela has backed *Bolivian aspirations to* recover the Pacific coastline which the country lost in a war with Chile 100 years ago.

On Saturday, 107 out of the 144 members of Congress met in La Paz and rejected Natusch's pleas for a civilian politician and a trade unionist to join him in a triumvirate which would share power until Presidential elections on May 4.

Gas train crashes

Police yesterday evacuated about 8,000 people from their homes in the industrial town of Mississauga, near Toronto, after a goods train carrying poisonous chlorine gas jumped the rails and caught fire, Reuter reports from Toronto. About 150 firemen who rushed to the scene to fight a chemical fire from tanks of propane and other gases threw up a wall of water around the burning wagons

Israelis jail W. Bank mayor

BY DAVID LENNON IN TEL AVIV

THE ISRAELI military authorities yesterday jailed the Mayor of Nablus, the largest town on the occupied West Bank, in preparation for his deportation because of his support for the Palestine Liberation Organisation (PLO) *and his struggle against Jewish* settlement.

Mr. Bassam Shaka's arrest led to a total strike in the town, the resignation of the municipal council, and brought stone-throwing demonstrators into the *streets, as* tension rose on *the* West Bank.

At the same time, a Cabinet meeting decided to expand Jewish settlement in the occupied territories. A Cabinet spokesman said this would *include building* new settlements and enlarging existing ones tenfold by constructing an additional 10,000 housing units.

At the same time as the Cabinet decision a large group of Jerusalem slum-dwellers invaded one of the settlements on the West Bank to protest at the Government's "waste of money" on settlements, when no funds were available for housing the poor in Israel.

There is a strong connection between the action against Mr. Shaka and the Cabinet's decision to expand settlement. Mr. Shaka was one of the people behind the legal action which led the Supreme Court to order the Eilon Moreh settlement beside Nablus disbanded. And the Cabinet proclaimed its intention to expand settlements in the occupied territories as a sop to the Eilon Moreh settlers, who threatened to resist the court order to evacuate private Arab land.

Moderate and radical opinion in the occupied territories united yesterday in condemnation of the arrest. Angry youngsters stoned Israeli vehicles, while mayors in both the West Bank and Gaza Strip denounced the action.

The mayors have threatened to resign if Mr. Shaka is deported for his outspoken Palestinian nationalism. They held meetings yesterday to protest at his arrest.

At one meeting, calls for the creation of a Palestinian state and the leadership of the PLO were received with prolonged applause. Last night, a massed *meeting of all the mayors and* heads of local councils was due to be held in Ramallah, in defiance of a military Government ban on such meetings.

The Israeli authorities intend to keep Mr. Shaka in jail until the *Supreme Court lifts* a temporary injunction issued on Thursday forbidding his deportation. The administrative detention could last for several days, while the mayor's lawyers battle the expulsion order through a series of court hearings.

Reuter adds from Abu Dhabi: Mr. Yassir Arafat, Chairman of the PLO, is to submit proposals at the Arab summit later this month on *the use of oil* as a political weapon. He told the Abu Dhabi newspaper Al-Fajr yesterday that the use of oil as a weapon was a legitimate right.

Mr. Arafat again denounced *the Camp David* peace agreements between Israel and Egypt and said the U.S. should renounce them.

The PLO leader also expressed hopes for a dialogue with Britain, which he said had an *historical* and *moral commitment* to the Palestinians and he denied any link between the PLO and the Irish Republican Army.

Vatican '£9.8m in deficit'

The Vatican is expecting a L17bn (£9.8m) deficit for this year—with every prospect that matters will get worse in the years ahead if current economic trends continue, Rupert Cornwell writes from Rome.

This unprecedented glimpse *of the state* of the finances of the Catholic church came in the communique marking the end of the five-day Consistory at the weekend—the first of its kind for more than 400 years.

The confirmation of an anticipated "loss" for 1979 came after Pope John Paul II had told the cardinals that constant reports of vast undisclosed riches owned by the Vatican were "a dangerous myth." The statement said income from the Holy See's property and investment holdings "was absolutely insufficient to cover the cost of the central government of the church, and of the Pope's universal mission." The deficit would only be covered by voluntary gifts.

No independence yet

Bermuda is not yet ready to seek independence from Britain, according to a White Paper just presented to Parliament by the Premier, Mr. David Gibbons, writes Keith Hunt. The paper accepts that independence is a real possibility, but no date is set and there is no strong opinion that Bermuda should take the big step towards self-rule.

E. German production

East Germany's Communist leadership yesterday ordered State funds to be pumped into industries where they would produce the quickest results and factories to be built twice as fast, Reuter reports from East Berlin.

UN food warning

Hunger and malnutrition will continue to haunt the poorest nations of the world even if the most strenuous efforts are made to increase food and agricultural production, according to a report presented to a UN conference on food in Rome yesterday, our foreign staff write.

Bid to stop takeovers

A Bill to limit the buying of U.S. banks by foreign companies will be introduced into the House of Representatives next week, Reuter reports from *Washington.*

New York Democrat, Mr. Benjamin Rosenthal, said yesterday, his Bill would allow small acquisitions by foreign concerns but would prevent larger deals.

Gromyko for Madrid

The Soviet news agency has officially confirmed that Mr. Andrei Gromyko, the Soviet Foreign Minister, will visit Spain "in the second half of November," AP reports from Moscow. Unofficial reports from Madrid have said Mr. Gromyko will arrive on November 19.

Sahara deaths

Saharan guerrillas claim to have killed 60 Moroccan soldiers in a battle last week near Bu Craa, the phosphate mining centra of the former Spanish Sahara, whose independence the guerrillas are seeking, AP reports from Algiers.

The claim followed reports of a major Moroccan drive to clear the guerrillas out of the Western Sahara.

Hope for tanker fades

THE search for survivors of the missing Norwegian freighter "Berge Vanga" faded on Saturday when a white object sighted by search aircraft turned out to be a chunk of polystyrene, AP reports from Cape Town. The ship, which has *been missing since October 29*, had a crew of 40, and was carrying iron ore from Brazil to Japan when it disappeared in the South Atlantic. Two U.S. military Orion aircraft left on their first search mission on Saturday after arriving on Friday from Brazil.

Botha in row with coloureds

BY BERNARD SIMON IN JOHANNESBURG

HOPES OF a political accommodation between the South African Government and the country's 2.5m people of mixed descent (coloureds) suffered a serious setback after a meeting between coloured leaders and Mr. P. W. Botha, the Prime Minister, ended in deadlock.

The meeting was called for preliminary discussions on the constitutional future of the coloureds who have shown increasingly bitter opposition in recent years to the separate political institutions created for them by Pretoria.

At the stormy meeting on Friday, the coloured leaders stood firm in refusing to give evidence to the Schlebusch Commission which is drawing up a new constitution.

According to a transcript of the talks, Mr. Botha said, at one *point*, "*I'm giving you a final* warning. One man, one vote in this country is out; that is, *never*. And now *I'm* saying again—*don't* try to do anything unconstitutional. You will be sorry for yourselves."

Mr. Botha threatened to disband the coloureds "Parliament," the coloured persons' representative council and to work instead with more pro-Government elements in the coloured community.

Mr. Botha's hard line on coloured policy came as *something of a surprise. Coming* from the Cape where most of the country's coloureds live, he had been believed to favour closer integration between coloured and white political institutions.

Zaire backs inquiry

KINSHASA—Mr. Nguzna Karl-I-Bond, *Zaire's State Commissioner* for Foreign Affairs, has called for the establishment of an international commission to investigate allegations that Zaire troops massacred 200 young people in the country last July, the official AZAP news agency said at the weekend.

The Paris-based International Human Rights Federation alleged that the young people were all killed in a youth camp at Mbuji-Mayi, AZAP said.

Poll thins ranks of Kenyatta 'old guard'

BY QUENTIN PEEL IN NAIROBI

PRESIDENT DANIEL Arap Moi of Kenya is expected to announce a major reshuffle of his administration this week following the defeat of one-third of his cabinet in last week's general election.

The re-organisation will be the first occasion President Moi has had, since he succeeded to the presidency last year in the wake of the death of Mr. Jomo Kenyatta, to put his own personal stamp on the Government. But although the President may be content that a number of the Kenyatta "old guard" were defeated in the election, he has also lost several close allies whom he might otherwise have promoted.

Final results showed that seven cabinet ministers out of 21 were defeated, most of them long-serving members of the *Government since independence. In addition*, 12 assistant ministers, from whose ranks several might have been expected to join the cabinet, were beaten in a poll which left almost half the country's parliamentarians out of a job.

The decimation of the ranks in the National Assembly is seen here as a healthy expression of democracy in Kenya, in spite of the fact that the country is a de facto one-party state. *The election of two* non-African, one European and one Asian, is also being presented as a resounding endorsement of Kenya's non-racial constitution. Both were elected in widespread black support.

The last senior *minister* to be defeated was Mr. Jackson Angaine, the Minister of Lands and Settlements and a member of the Cabinet since 1963. He *joined the defeated ministers of* Labour, Education, Works, Power and Communication, Water Development, and Natural Resources, whose results were announced earlier—all long-standing members of the Government.

President Moi's new administration is expected to include some leading technocrats entering Parliament for the first time after careers in business and the civil service, as well as others who have been particularly faithful to him.

Key attention in the re-shuffle will be focused on the job of Foreign Minister, where Dr. Munyua Waiyaki, the incumbent, may be in danger in spite of winning a tough battle for his Nairobi slum seat. Dr. Waiyaki is regarded by some as being too outspoken and Left-wing for the rather conser*vative rule of President Moi*. Two other ministers, both old-timers, may be in danger—Mr. James Gichuru, the Minister of Defence, and Mr. Paul Ngei. Men who might expect promotion to the Cabinet include Mr. G. G. Karuiki, an assistant minister and close confidant of the President, Mr. Sharif Nassir, his leading supporter in Mombasa, and Mr. Kenneth Matiba, the chairman of East African Breweries.

However President Moi's job has been made more difficult by the loss of several close supporters, particularly in the [illegible] tribal area in the west. Four supporters who might have expected cabinet seats were lost there, in an apparent backlash against the refusal by the Kenya African National Union (KANU) to allow Mr. Oginga Odinga the former vice president and veteran Luo leader, to stand.

The Tanzanian government has responded to accusations by Lonrho, British multi-national, it was planning not to pay compensation for the company's assets which have been nationalised.

Lonrho last week called for the World Bank to withhold aid from Tanzania because of that government's alleged refusal to pay adequate compensation for the company's tea plantations, engineering plants and other trading businesses in the country. Sir George Bolton, the deputy executive chairman of Lonrho also claimed that the accountants, Coopers and Lybrand Tanzania, instructed by the Tanzanian government to withhold their audit findings from Lonrho and the British Foreign Office.

Three held in clampdown on Chinese dissidents

BY JOHN HOFFMANN IN PEKING

THREE HUMAN rights activists were arrested yesterday after an unofficial transcript of the trial of China's best-known dissident went on sale.

The three, members of a democratic discussion group called the April 5 Forum, were believed to be selling the transcript of the trial of Wei Jingsheng, who was jailed for 15 years for "counter-revolutionary crimes."

They were arrested by the Chinese militia during a demonstration at Peking's Democracy Wall, the scene of most "underground" activities in support of democratic freedoms. Some foreign journalists are reported to have been involved in fighting which broke out between militiamen and demonstrators. Two were struck during the melee.

Much of the transcript has already appeared on the wall. Authorities have made no effort to remove it and yesterday, 32 pages were still there.

The April 5 Forum, named after the date of the 1976 *human rights riots* in Tienanmen Square, has been a leading group in the public debate surrounding the sentencing of Wei Jingsheng. Their pamphlets branded Wei's trial as unfair and a demonstration of the Chinese leadership's intention to crush opposition to autocratic Communist Party rule.

Police are believed to have told the demonstrators yesterday that the transcripts of trial evidence were "illegal documents."

John Hoffmann adds: The United Nations High Commission for Refugees has promised to contribute US$18.8m to refugee resettlement projects in China. In one of four projects agreed to this week, China will airlift 10,000 Indo-Chinese refugees from ASEAN countries and settle them on specially-established farms.

The other schemes are intended to help provide accommodation *and work for about* 150,000 refugees, most of Chinese origin, who have fled to China from Northern Vietnam since early *last* year.

This week's agreement follows a request by China for direct *UN aid in defraying the cost of* absorbing a total of 251,000 refugees from Vietnam.

Poles detain protesters

WARSAW — —Police yesterday held at least 30 Polish dissidents in an effort to block a demonstration to mark the anniversary of Poland's independence.

The dissidents were planning to march from St. John's Cathedral in Warsaw's old city last night and lay wreaths at the tomb of the Unknown Soldier to mark the date, which the Communist authorities have *ignored*.

The activists were rounded up in Warsaw, Krakow and Gdansk. Police may hold people for up to 48 hours without charges.

Most of those detained were members or supporters of the Public Self-Defence Committee (KOR), a dissident group which has not taken part in previous demonstrations.

The organisers of the march are members of a rival group, the Traditionalist Human and Civil Rights Defence Movement. There was no word from the group's leaders and it was not known if they had been detained or had gone into hiding.

● The Mayor of Belgrade has threatened to resign if city suppliers do not improve their *performance to overcome recent* shortages of food and fuel.

Mr. Zivorad Kovacevic said at the weekend that unless the situation improved, the suppliers would have to resign before he did for breaking their agreements with the city.
Reuter

EEC visit aims to boost Mexico trade relations

BY WILLIAM CHISLETT IN MEXICO CITY

DR. WILHELM HAFERKAMP, the EEC Commisioner for External Affairs, arrives here today for a four-day visit in an effort to intensify the fledgling relations between the Common Market and Mexico.

The visit is in line with moves by the EEC for a more coherent strategy towards Latin America as a whole. In the case of Mexico the feeling is that the time is ripe to pursue greater co-operation and trade. The visit to Mexico follows a recent one to Brazil.

The EEC's desire is basically shared by the Mexican Government which wants to diversify exports away from the U.S. and use its rising oil revenue to stimulate non-oil exports.

Mexico does not want to be just an oil-exporting country, and as part of this overall strategy, it last week initiated a "national debate" about the merits of joining the General Agreement on Tariffs and Trade (GATT).

Mexico has finished its discussions with GATT and has until May 31, 1980, to make up its mind whether to become party to the international tariff regulatory system. The Government is in favour, but has to overcome resistance from Mexico's private sector and trade unions.

Dr. Haferkamp, who is responsible for the EEC's foreign relations, will meet with President Jose Lopez Portillo, with Mexico's foreign and trade Ministers, and with the head of Pemex, the State oil monopoly.

He will also preside over the closing session of the Mexico-EEC Joint Commission, only the third such meeting since 1975. This, in itself, is an indication of the lack of interest in expanded trade until now on both sides.

Last year 71 per cent of Mexico's exports went to the U.S. and only 5.8 per cent to the EEC, principally coffee, honey, cotton and minerals. In return the U.S. supplied Mexico with 60 per cent of its imports and the EEC with 18.5 per cent, mainly capital goods. Mexico is the EEC's 58th supplier and 42nd client and has always had a deficit with the EEC which has been increasing over the years.

Mexico, like other developing countries, enjoys the EEC's system of generalised preferences.

Last year Mexico's trade deficit with the EEC, according to EEC figures, was almost $1bn, and in the first six months of this year, according to Mexico's Foreign Trade Bank, the deficit with the EEC was $630m.

Oil is changing the picture to the benefit of Mexico. Next year a contract to sell oil to France begins, and will rise to a maximum of 100,000 b/d. Spain, which will be an EEC member and is already receiving 60,000 b/d, will receive a further 100,000 b/d.

Oil sales to Western Europe demonstrate how quickly the EEC's interest in Mexico is changing, although as one EEC official said recently. "It is not oil per se which attracts the EEC, but its potential to transform Mexico into an advanced industrialised nation." In addition Mexico is seen as a rich and safe alternative to OPEC—of which it is not a member.

Pemex's declared aim is to reduce the present U.S. share of Mexican oil exports from 85 per cent to 60 per cent and to sell 20 per cent to Europe and 20 per cent to Japan.

However, in the long-term, it will be the effect of Mexico's oil wealth on this fast-developing country of 67m people which will influence trade with the EEC.

For the next decade it is predicted that the Mexican economy will grow by at least 8 per cent a year. This will help turn it into an exceedingly attractive market for the EEC, but at the moment, excluding trade among EEC member countries, Mexico takes a tiny 0.5 per cent of total EEC exports and it supplies the EEC with 0.25 per cent of its import needs.

Rise in oil imports hits France

By Terry Dodsworth in Paris

FRENCH OIL imports went up by more than 12 per cent in the first nine months of this year despite a slight reduction in the monthly rate in September.

After rising to 11m tonnes in August, imports were down to 9.8m tonnes in the following month. But this figure was still 11 per cent up on imports for the same month a year ago, and brought the nine-monthly total to 95m tonnes.

With the Government committed to an oil conservation policy aimed at limiting consumption to 107.5m tonnes this year, the figures suggest that efforts are concentrating on increasing stocks. Costs to the French oil importers have already risen considerably, from FFr 474 a tonne in the January to September period of 1978 to FFr 532 a tonne this year. In September, however, France was paying an average FFr 664 a tonne.

By far the largest amount of these imports came from OPEC countries. This year, about 37 per cent has come from Saudi Arabia, 18 per cent from Iraq and 5 per cent from Iran.

Brazil fuel deficit rises

RIO DE JANEIRO — Brazil posted a $2.99bn (£1.45bn) deficit in its trade with the Middle East oil producing countries during the January-August period this year, up from $2.08bn during the same period in 1978, the Central Bank reported.

Total Brazilian imports from those nations this year were $3.3bn, while its exports were listed at $300.1m. The figures for the same period last year were imports $2.3bn and exports $216.1m.

AP-DJ

Sudan re-negotiates debt with export credit agencies

BY JAMES BUXTON

SUDAN TODAY starts talks in Paris with Western Governments in an effort to obtain the rescheduling of its debts to export credit agencies.

The two day meeting with the so-called Club of Paris, a grouping of export credit agencies from the main OECD countries, is part of Sudan's attempt to refinance all its overdue foreign debt, believed to total more than $1bn.

The debt consists of overdrafts on bills of exchange, supplier credits and short and medium term loans. An exact profile of Sudan's debt is still being compiled but a substantial part of it is believed to be covered by Western credit agencies, such as Britain's Export Credits Guarantee Department (ECGD), the U.S. Eximbank and France's Coface.

The outcome of the Club of Paris discussions will directly affect the negotiations Sudan has been having with commercial banks over their part of its debt.

Sudan has asked for a refinancing loan of about $1.2bn on concessionary terms over a three year period to cover its overdue foreign debt and provide some new financing to support the economic reform programme agreed with the International Monetary Fund in May this year. It is in effect asking to be relieved of the burden of repaying and servicing its debt until June 1982.

At the Paris Club meeting the state of the Sudanese economy will be reviewed by the IMF, World Bank and Sudanese Government, before discussions on the terms of rescheduling begin. The aim of the meeting is to agree on the outline for a rescheduling programme, which would be followed by bilateral negotiations in succeeding weeks between Sudan and individual credit agencies. Sudan is understood to want to negotiate with ECGD first.

How far the Western countries are prepared to go in meeting Sudan's request is not known, but it is thought unlikely that they will accede to its desire for a three year refinancing at this stage. However Western Governments look reasonably favourably on Sudan both as a pro-Western nation in a strategic part of Africa and as a country which is now making determined efforts to put its economy in order.

Higher paper prices forecast

BY JOHN LLOYD

CONTINUING price rises in all grades of paper, especially newsprint, were forecast for next year by Mr. Bo Wergens, managing director of the Swedish Pulp and Paper Association, over the weekend.

Mr. Wergens said that profitability throughout the West European paper industry was low, and that prices must at least keep pace with inflation. The industry had a difficult problem ahead, because it was not making sufficient capital investment in new plant.

The Swedish industry has recovered from its very low levels of profitability, or of losses, in 1976-78, a period in which the Government intervened to underwrite loans to some companies and to buy stock in others.

Mr. Wergens said, however, that "rising costs for wood, energy, transport, etc., have not yet allowed the Swedish—as well as the European industry—to recover fully from the adverse conditions during the long recession."

The Swedish industry, which exported 900,000 tonnes of paper and board to the UK this year, is to press for a 5 per cent increase in its quota this year.

Mr. Wergens said that the quota increase allowed last year was only 1 per cent because of fears of a recession in the market. However, he expected that the present UK Government would take a more positive view of imports than the previous one.

International demand in the current year has been strong, with production in the U.S. up 5 per cent, and in Western Europe up nearly 7 per cent. The order backlog is high, and production has had difficulty in keeping pace with demand.

The market for white graphical, copy, computer and scholastic papers had grown particularly strongly, Mr. Wergens said.

In the UK, where growth was less strong over this year, imports continue to win a growing share of the market. However, French and German exporters have taken an increasing proportion, while Scandinavian suppliers have stagnated.

Franco-U.S. approval for new aero-engine

By Michael Donne, Aerospace Correspondent

THE FRANCO-U.S. (Snecma-General Electric) CFM-56 engine has now been awarded its official type certificates by the French and U.S. civil aviation airworthiness bodies, clearing it for airline service.

The official type certificate was handed over in Paris at the weekend by the French Direction Generale de l'Aviation Civile and the U.S. Federal Aviation Administration to M. Jean-Claude Malroux, president of CFM-International, which builds the engine.

The CFM-56 has already won more than $600m worth of business from several U.S. and overseas airlines who want to use it to re-engine their existing DC-8 Series 60 jet airliners.

The engine is also now installed in a Boeing 707 jet airliner, with flight trials due to start soon. This is thought likely to lead to extensive sales of the CFM-56 for re-engining existing Boeing 707 jets also.

The engine, rated at 24,000 pounds thrust, is also a candidate for selection by the U.S. Air Force for re-engining the big fleet of several hundred aerial tankers, the KC-135s.

Another version of the engine, the 20,100 pounds thrust Dash 3, is also being developed for the new generation of short-to-medium range airlines for the 1980s.

O Societe Francaise d'Equipements pour la Navigation Aerienne (SFENA), makers of navigation equipment, have been selected by Boeing to supply 600 emergency visualisation systems for Boeing's 757 and 767 airliners, AP-DJ reports from Paris.

UK reduces W. German deficit

BY GUY HAWTIN IN FRANKFURT

RAPIDLY GROWING sales of North Sea oil are gradually eroding the massive trade deficit Britain is running with West Germany. On the other hand, the deficit in non-oil trade in the Federal Republic's favour is growing alarmingly.

Figures for the first three quarters of 1979 show British sales to West Germany up by just over 39 per cent compared with the same period of last year. They rose from DM 8.76bn to DM 12.18bn ($6.79bn).

West Germany's trade surplus fell back from DM 3.49bn in the opening nine months of 1978 to DM 3.32bn in the comparable period of this year. This is a drop of 4.8 per cent.

But when oil shipments are excluded from the returns—supplied by the Federal German Statistical Office in Wiesbaden—British exports show a much less impressive growth rate. They went up by just 26.6 per cent from DM 7.83bn to DM 9.91bn.

In comparison West Germany's sales to the UK, which are virtually all manufactured goods, also showed a 26.6 per cent growth, rising from DM 12.25bn to DM 15.5bn. The non-oil trade gap, therefore, rose 26.7 per cent from DM 4.42bn to DM 5.6bn.

The West German statistics show that the two countries are becoming increasingly important trade partners. Britain's sales in the Federal Republic have expanded far faster than the overall 18.1 per cent increase in West German imports during the first nine months of the year. Non-oil sales have also greatly outpaced the 16 per cent growth in non-oil imports.

UK TRADE FAIR PARTICIPATION

Activity widens despite doubts

BY LORNE BARLING

THE VALUE of participating in trade fairs and exhibitions is frequently questioned, but with West German companies spending around 25 per cent of their promotion budgets in this way, compared with 10 per cent in the UK, the evidence suggests that they are vital to European marketing.

Although British companies have increased their exhibition spending from only around 2.5 per cent of total promotion budgets in 1975, many still regard exhibiting as an increasingly expensive activity which is necessary only because their absence at major events would be noticed.

However, with the European exhibition circuit booming and the National Exhibition Centre in Biramingham now near to capacity for 1980, it appears that it is increasingly cost-effective to bring the potential buyer to the product in this way.

Companies have also had a measure of relief from the pressure to be at every show as a result of recent agreements to reduce or at least restrict the number of exhibitions within particular industries. These have been agreed by trade associations in Europe and the UK.

These trade associations have also acted to restrict the number of unofficial exhibitions taking place by preventing their members from participating in unauthorised events, sometimes held by inexperienced organisers. The Society of Motor Manufacturers and Traders, for example, approves only about six UK shows a year.

The major show organisers, which have received a welcome boost with the success of the National Exhibition Centre, do not wish to appear monopolistic, but more shows mean business is spread more thinly and visitors are, consequently, more difficult to attract.

As far as British shows are concerned, it is regarded as vitally important to encourage more European buyers, and representatives of the Motor Show and Mach 80 (the International Machine Tool Exhibition) were in Amsterdam recently to promote their events taking place next year.

Many British companies are unconvinced about the value of participating in exhibitions, but an increasing number now believe that the international trade fair circuit is the most effective way to bring the potential customer to the product

The Motor Show, a major public attraction, has been criticised in the past by trade visitors who feel the business side of it has been downgraded, but next year more exclusive time will be devoted to their activities.

Pressure on the always popular show has also been reduced by the start of two motor equipment exhibitions, Autoquip and Garagequip, being held in London These have successfully attracted buyers who do not want the glitter of the Motor Show and can avoid it in this way.

In the machine tool industry, where products sometimes take three to four years to develop, companies have been faced with the problem of providing something new for each event, and, with the cycle of exhibitions now every two years instead of four, they have tended to get smaller.

It remains difficult to generalise about the overall level of costs, since they vary greatly according to what is offered, from a bare stand to a full service, but £40 a square metre is now a common cost factor.

The annual International Spring Fair for instance at Birmingham's NEC, dealing with hardware and giftwear (such as silver and other craft goods) is nevertheless oversubscribed, with around 300 potential exhibitors having to be turned away.

From the NEC's point of view such enthusiasm is encouraging, since the £41m cost of the centre and an additional £7m now being spent on a seventh hall, is a considerable burden. Most of the funds were provided by the Birmingham City Council.

It is evident, however, that many British companies remain unconvinced about the value of exhibitions, and overall spending is proportionately lower than in most European countries.

SHIPPING REPORT

Tramp shipping index up sharply

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE SCALE of the recent boom in tramp shipping is underlined by the latest figures from the General Council of British Shipping. Last month the councils tramp trip charter index jumped by one-sixth — its sharpest rise for more than a year.

The index is based on the recorded monthly fixtures of five main categories of ships, from 12,000 tonners to ships of 85,000 dwt and over. The bulk of the fixtures is concentrated among ships of between 12,000 dwt and 35,000 dwt.

In October, the index (1976=100) stood at 214—about 75 per cent above its level of a year ago.

The council said the rise was almost entirely due to demand for tonnage to ship grain to the Soviet Union. This point is emphasised by the latest Matheson Chartering Report. It says that countries such as the Soviet Union with serious harvest shortfalls are bringing in as much grain as possible before the winter weather worsens. Matheson predicts that the current demand will continue through November but may ease after that, especially in the Western Hemisphere.

The upturn in tramp shipping rates has not been uniform. According to the council's figures, rates for ships in the 12,000-19,999 dwt category have risen by 46 per cent in the last year. Rates for ships of 20,000-34,999 dwt have risen by 79 per cent.

For ships of 35,000-49,999 dwt, rates have risen by 135 per cent. This is double the increase for ships in the 50,000-84,999 dwt category.

In the tanker market, the events in Iran have been the major talking point, but the implications are still unclear. The benchmark figure for Very Large Crude carriers, Persian Gulf/West continues to hover around Worldscale 50.

World Economic Indicators

FOREIGN EXCHANGE RESERVES
(Millions of U.S. $)

	Sept. '79	Aug. '79	July '79	Sept. '79
UK	18,724	19,003	19,159	15,846
U.S.	3,301	4,798	4,843	26
Germany	46,911	42,072	43,245	35,932
Italy	17,844	18,808	17,619	9,817
Holland	6,693	6,431	6,400	4,037
Japan	21,247	21,131	21,040	26,607
Belgium	4,489	4,435	4,399	2,449
France	14,408	14,570	14,530	7,584

Source: International Monetary Fund

UK NEWS

Foreign currency banking for all

BY DAVID MARSH

THE ABOLITION of exchange controls last month has brought foreign currency banking within range of the public.

National Westminster Bank announced on Thursday that it was offering UK residents accounts in more than a dozen currencies without formalities.

Non-interest bearing current accounts can be opened with a minimum balance of £250 equivalent. New customers can open accounts on the spot at NatWest branches if adequate references are given.

The NatWest announcement *stole a march* on the other High Street clearers. But all the big banks had been offering foreign currency banking to private customers after the abolition of exchange restrictions.

Lloyds is allowing branches to open *accounts* in the *main* foreign currencies, if the opening balance is at least £500 equivalent.

Barclays and Midland branch managers *will open accounts* for private customers on request, with terms depending on the currency and amount.

NatWest says many accounts *for commercial customers* have been opened since the exchange control moves last month.

Previously, Bank of England approval was needed for UK residents to *hold* foreign currency accounts, although this *had been granted* for trading purposes for companies.

NatWest customers can open deposit accounts in the range of £1,000 to £15,000 with maturities of *seven days to six months*. Lloyds is setting a minimum amount for deposit accounts of £2,500.

The banks neither want to encourage nor expect a flood of foreign currency accounts from Britons saving up the odd D-Mark for that long-awaited cruise up the Rhine, or bringing home pocketfuls of pesetas from Costa Brava holidays.

As for suggestions that private customers worried by the possibility of a hard winter and rising sterling M3, would open accounts in Swiss francs to com*pensate for* a falling pound, Lloyds said this would not be worthwhile.

Commission charges for converting sterling into foreign currency in the first place were so high, that the pound would really have to fall through the floor to make the exercise profitable.

There *would also be no* advantage for people wanting to evade the Inland Revenue. Foreign currency deposits in the UK would enjoy no special privacy.

For the professional tax *evader or currency speculator*, clearly the Bahnhofstrasse in Zurich, rather than the High Street in Cheam, is the place to be.

European banks 'may extend U.S. activity'

BY MICHAEL LAFFERTY

WEST EUROPEAN banks may soon seek to enter the U.S. financial services market in activities such as travel and entertaining, says a study by the *Payment Systems (PSI) organ*isation in the U.S. PSI believes that the Eurocheque and Eurocard banking clubs can form the basis for such a development.

"Eurocheque banks are negotiating with Midland Bank to acquire the non-sterling travellers' cheque business of [Thomas] Cook from Midland.

"This fact suggests that the Eurocheque banks may in fact enter the U.S. market place to compete for the dollar-denominated travellers' cheque business of U.S. travellers in Europe as well as European travellers visiting the United States.

"It is also likely that some of these banks will engage in (plastic) card-based competi*tion for various retail services in the* United States."

PSI forecasts that the most significant impact from foreign banks in the U.S. will be *liberalisation of the* McFadden Act, which restricts banks from interstate branching.

"When inter-state branching is permitted, foreign branches and banks will not be the only, or even the greatest beneficiaries. The big winners will *most* likely be the large, aggressive U.S. banks.

"These banks will no doubt utilise *relaxed restrictions* to compete more aggressively. They will attempt to establish a national retail-services delivery system, probably an electronic one."

The numbers of U.S. banking offices and subsidiaries controlled by foreign interests tripled between 1972 and 1979 from 104 to 332. The U.S. General Accounting Office re*cently reported that foreign* banking interests controlled over 8 per cent of all U.S. banking assets.

PSI says that rates of growth *and acquisitions in the U.S. will* slow markedly compared with recent trends.

* "*Foreign Banks: A New Competitive Force in the U.S.*," *PSI. Atlanta, Georgia.*

MG's future discussed in BL talks

By Kenneth Gooding, Motor Industry Correspondent

TALKS BEGIN today between BL and the British consortium which wants to buy its MG business.

This will be the first of several meetings but Mr. Alan Curtis, joint-chairman of Aston Martin and leader of the consortium, said at the weekend: *"There is good will* on both sides and we are hopeful of a successful outcome."

However, a wide gulf seems *to exist between* what the consortium wants and what BL has publicly stated it *would accept.*

The consortium wishes to buy the MG plant at Abingdon and take over responsibility for the 1,500 employees. *It also wants the MG name.*

BL appears interested in only a licensing deal for the consortium to continue production of the MGB sports car *after the scheduled ending of* production late in 1980.

Abingdon, with a much-reduced workforce, has a key role in BL's re-structuring of car production *plants*

Most social security benefits increase

BY ERIC SHORT

RETIREMENT AND widows' pensions, sickness and *unemployment* benefits and most other social security benefits increase this week in accordance with the annual revaluation of benefits required by Social Security Act, 1975.

The weekly pension for a single person rises to £23.30 from £19.50, while the new rate for married couples is £37.30 compared with £31.20.

Sickness and unemployment *benefits, previously £15.75 for a* single person and £25.50 for a married couple will be £18.50 and £29.95 respectively.

The pension increases were announced by *Sir Geoffrey Howe* in his Budget speech on June 12 and the other increases the next day by Mr. Patrick Jenkin, the Social Services Secretary.

The *significant* omission has been an increase in child benefit allowances. This remains at £4 per week for each child. However, for single parent families the weekly rate for the first child rises by 50p to £6.50.

The present pension levels are being increased by 19½ per cent. This represents an expected increase in prices of 17½ per cent, the other 2 per cent rise representing the shortfall in the pension upratings in November last year because the earnings movement was underestimated.

Short-term benefits are being raised by 17½ per cent—the expected rate of prices inflation. This uprating is not a subject of controversy. Also pensioners who have retired since April, *and thus are receiving a small* amount of second tier earnings-related pension under the new state scheme will find that pension uprated by 17½ per cent.

Pensioners will also receive a Christmas bonus of £10 this year. This is a legal benefit, and not a grace and favour payment of the Government. Its level will be reviewed each year by the Secretary of State.

The Government still ignores any uprating to the death grant. This has remained at £30 since 1962. The pensioner organisations are demanding at least £135.

Airline food unspeakable says Ronay guide

BY ARTHUR SANDLES

LIFE IN the skies for the average traveller is no picnic if the latest Egon Ronay Lucas *Guide is to be believed.* According to Mr. Ronay, whose inspectors did 43 transatlantic journeys in the course of a study of conditions for airline passengers "the lot of the air passenger is a dismal one."

As far as food is concerned, Mr. Ronay reckons that "only the truly captive situation of the passengers explains how airlines can get away with serving unadulterated rubbish. Contempt for the passenger herd is the only conceivable reason for hanging on to the basic misconception of what should be served."

Whatever the glossy advertisements suggest, in Mr. Ronay's view the tourist class passengers will find in fact that "they are taken for granted and, on the whole, treated with contempt by most airlines."

Ronay's listing of the Atlantic airlines cites America's Delta as the best, scoring 77 per cent on the Ronay rating. Delta flies to Atlanta, Georgia. The top airline for flights into New York was TWA, which came third in the *listing overall, after Air* Canada.

The league table, in Ronay order was: 1—Delta; 2—Air Canada; 3—TWA; 4—British *Caledonian*; 5—*National*; 6—Air India; 7—British Airways; 8—Braniff; 9—Aer Lingus; 10—*Laker*; 11—Northwest Orient; 12—Pan American; 13—Iran Air; 14—El Al.

Mr. Ronay says the airline passengers of today are "herded like cattle, kept uninformed during frequent delays, racked tight *in their seats and reduced* to cyphers and dehumanised. Fed unspeakable food and often ignored by flight staff, they are heavily over-charged into the *bargain, as Sir Freddie Laker* has proved."

The whole thing starts off badly, says the Ronay report. "Welcome is scant and insufficient, with *perfunctory* smiles and as often as not just a military pointer to the correct aisle to take. Call buttons might as well be ripped out. They are totally ignored. *Flight atten*dants are pre-occupied with *their own pursuits* once meal service is finished."

It is not only the food that brings comment from the Ronay organisation. Worse still is "the *scandalous state* of the toilets." It is suggested that most airlines simply do not arrange for constant *attention* to lavatories. "Could this be below the dignity of the glamour girls?" asks Mr. Ronay.

"Our experience of filth and discarded bits and pieces does not bear description," says the report. "Even the general state of repair is often poor. *It is no* excuse that passengers are also *to blame for behaving so anti*socially."

BA criticised

Of individual airlines Mr. Ronay says that British Airways served food that was sadly un*enterprising.* "*Tasteless chicken* in a nondescript sauce with the usual flavourless frozen vegetables, followed by a flabby slice of fruit pie, shrink-wrapped cheddar and biscuits, and indifferent coffee. On one flight a farcically pretentious Elizabethan menu heralded one of the worst air meals ever eaten."

Although it received a higher rating, the food on British Caledonian comes in for similar savage comment. "Tired smoked salmon, lamb swamped in horrid *gravy with roast (i.e., burnt)* potatoes and peas like tasteless nasturtium seeds was followed by sickly fruit pie." But the report adds that drinks were served with *admirable prompt*ness on all the British Caledonian flights sampled.

But the food served by Delta —a steak, a mixed grill, and a kebab—on sampled flights—was gracefully served and simple, the report says.

The airlines lowest on the Ronay list draw particularly harsh criticism. El Al staff are said by Ronay to have been "tired, unenthusiastic, indifferent and undisciplined," although there were one or two redeeming individuals. "On one flight two sterdesses took no notice of *a call button that was lit up* for half an hour—they were seen to be busy relaxing."

The Ronay report says that Laker Skytrain cabin staff worked hard to create a relaxed atmosphere. Lavatories were generally well maintained.

Restaurants in Great Britain and Ireland form the main theme of the annual Ronay Guide. The Gold Plate Award for the guide's Restaurant of the Year goes to Les Quat' Saisons, an Oxford bistro run by a *Frenchman* and *his* English wife.

The Gold Plate for the hotel of the year has been awarded to the Connaught in London in *recognition of* "*its legendary* standards."

Only two restaurants have the three-star award for cooking: Inverlochy Castle's restaurant, Fort William and *the Horn of* Plenty, Gulworthy, Devon. The five de luxe grade hotels now include the Chewton Glen and the recently opened Royal Crescent in Bath.

The guide also looks at New York's 22 top hotels but gives the de luxe category to only three, compared with the ten in this division in London. The highest-rated is the Pierre which is owned by a British company, Trusthouse Forte.

Egon Ronay's Lucas Guide 1980. Published by Penguin. Price £4.75.

Pessimistic tone shown by brokers

By Peter Riddell, Economics Correspondent

THE INCREASING pessimism of the City about the short-term *outlook for the economy* was highlighted in a batch of stockbrokers' circulars published at the weekend.

L. Messel, for example, said Bank of England could not afford to be dilatory because of *the unreliability of the British* system of selling Government debt and a possible unstable deterioration in investor confidence. Consequently, "Minimum Lending Rate *has to be raised* and 16 per cent (against the present 14 per cent) is probably the right number."

Montagu, Loebl, Stanley said interest rates were the principal short-term instrument available. "Simply to move in line with market rates would probably not have a sufficient impact on market sentiment and therefore a two-point increase in MLR to *16 per cent is expected.*"

The brokers said that such a sudden move in MLR could turn out to be an over-reaction.

Carr Sebag said that a serious collapse of confidence had taken place. "This has less to do with *policy errors by the present* Government than the fact that the City had sold itself a wildly over-optimistic set of expectations on monetary growth, inflation and interest rates.

Post Office expects Prestel expansion

BY JOHN LLOYD

PRESTEL, the Post Office's viewdata system, has ended its *first* six months' public availability in better shape than seemed likely at the beginning of the period, and appears set for major expansion in the New Year.

Its user base, 1,600 subscribers, is still very small. Manufacturers of Prestel sets continue to report shortages in components.

The 160 information-providers have grumbled about insufficient revenue and difficulties in updating their information because *of shortage of access* time to Post Office computers.

It now appears that the UK set manufacturers are committed to the project—there was some *doubt earlier this year*—and most have plans to go into volume production next year.

The corporation forecasts a market of about 100,000 prestel sets *in* 1980, *equally* split between domestic and business use. The service will be extended to Birmingham next month, and Manchester and *Edinburgh next year.*

Last week Sony UK announced that it would be the first Japanese company to enter Prestel production. The Post Office guaranteed that it would not allow foreign set-makers into the market for the first six months, now expired. Sony UK is registered in Britain.

It has designed two small colour business terminals with an editing facility, and plans to introduce a large-screen domestic receiver next year. The set has been designed at the company's Bridgend works, in Wales.

A second Japanese manufacturer, Mitsubishi, has teamed up with a UK company, Information Services and Equipment, to market business terminals and a *projected display system.* Mitsubishi has a plant at Haddington, near Edinburgh.

Aquis payment for ex-chief

Aquis Securities, the property investment and property developer with hotel interests, is to hold an extraordinary general meeting on November 29 to gain approval for an ex-gratia payment of *£37,500* to Mr. Harold Quitman, who has recently relinquished his post as managing director.

In August Aquis said that Mr. Quitman had for some time expressed the desire to be relieved of day-to-day management of business. The group appointed Mr. John Bateman to take over as managing director.

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New orders in building industry slow

BY ANDREW TAYLOR

A GRADUAL slowing in the rate of new orders for two of the recent growth sectors for the building industry is indicated in the quarterly state of trade inquiry by the National Federation of Building Trades Employers.

The September survey showed fewer companies reporting increased new order inquiries in the private industrial and commercial building and repair and maintenance sectors, 'which have sustained the building industry's recovery over the past 18 months."

In private industrial and commercial building 31 per cent of companies surveyed reported more inquiries, compared with 39 per cent in the previous quarter. They stayed at about the same level in 40 per cent.

In repair and maintenance 29 per cent reported increased order inquiries, against 39 per cent in the previous survey, and 51 per cent said that inquiry levels were unchanged.

Despite slackening in rate of new orders in these two sectors, over half the 700 companies surveyed said that they were working at full capacity, or almost.

The federation said that 45 per cent still expected an increased volume of work this year, and 19 per cent expected a decrease.

Taking all types of building work, the survey showed that 29 per cent of companies reported order inquiry increases in September (42 per cent in June): *44 per cent (38 per* cent) said that inquiries were the same; and 28 per cent (21 *per cent) reported a decrease.*

The federation said: "This means that the ratio between firms reporting more and firms reporting less new inquiries has almost halved between the June and September inquiries."

The federation said that companies had continued to report severe shortage of skilled labour, with over half those questioned finding it "very difficult or virtually impossible to obtain enough bricklayers, while the same applies to around one-third of firms seeking *carpenters, plumbers, plasterers* and slaters-tilers."

Only a few isolated shortages were reported in materials.

School meals can contain 30% meat substitute

BY CHRISTOPHER PARKES

LOCAL EDUCATION authorities are expected to be allowed shortly to raise the amount of meat substitute in school meals from 10 per cent to 30 per cent.

The move could save the authorities £50,000 a day, the Vegetable Protein Association said yesterday. There could be further economies if more substitutes were given to hospital patients and other consumers of local authority meals, it said.

If all education authorities increased substitutes, meat consumption could be cut by about 10,000 tonnes a year.

The association, which represents the industry making substitutes and "meat extenders," said it was expecting a notice of the change to be issued by the Department of Education and Science.

The department is studying a recent report from the Common Market Commission, which recommended the 30 per cent limit.

"Although only part of the meat in mince or stew dishes, which account for about 40 per cent of all school meals, can now be replaced by vegetable protein, it is possible to achieve savings or more than £10m a year without sacrificing nutritional standards," the association said.

School kitchens serve an estimated 1bn meals a year, of which 432m contain mince and *270m are "stew" dishes.* Average meat serving is 2.5 ounces.

Thatcher to discuss EEC with Giscard

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER will pursue her determined bid to secure a substantial reduction in Britain's contribution to the EEC budget at a meeting this week with President Giscard d'Estaing.

The Prime Minister is still robustly demanding that Britain's £1.2bn net contribution should be eliminated. She is expected to reaffirm the Government's objective in her foreign affairs address at the Guildhall tonight.

The French President arrives in London today for two days' talks—the last in *Mrs. Thatcher's series of bi*lateral meetings with EEC leaders before the critical Dublin summit at the end of the month.

Their talks will have a vital bearing on the course of the summit negotiations.

But indications so far are that other EEC members are unlikely to concede more than a £650m cut in the contribution along the lines *suggested by one option pre*pared by the EEC Commission.

Pressures

Several Common Market countries will not yield even that much—regarded by the British Government as minimal—without some very tough bargaining.

There will be strong pressures for Britain to accept a reduction of around £500m, a compromise on the Commission's options for which range from £250m-£650m.

Such a move would involve a relatively simple adjustment to the financial mechanism established in 1976 to prevent excessive budget strains on the poorer EEC countries.

Any Government retreat on the issue would be strongly attacked by the Labour Party.

Mr. Peter Shore, the party's foreign affairs spokesman, said at the weekend that Mrs. Thatcher's pursuit of a new budget deal had the "total backing" of the Opposition *and the great majority of the* British people.

Hearings open today over cheap flights to Hong Kong

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MAJOR improvements in the quality of air services between London and Hong Kong, including substantially cheaper fares, are promised by British Caledonian Airways if it is given rights to run such services.

The Hong Kong Air Transport Licensing Authority today starts public hearings in Hong Kong on applications by British Caledonian, Cathay Pacific Airways and Laker Airways for rights to fly new cheap services between Hong Kong and London.

Similar public hearings will be held later by the UK Civil Aviation Authority.

In its evidence to the Hong Kong hearing, British Caledonian will pledge that it will offer a comprehensive, multi-class service, with fares ranging upwards of £100 single.

British Caledonian says that it will offer the widest possible choice of passenger amenities, including first-class sleeperettes, to one-way, stand-by fares on fast, one-stop services via the Middle East.

The airline says that seven fares will be available (at mid-1980 prices), as follows: First class, £950 single; Executive, £500 single; Economy standard, *£350 single; "Bottom Dollar,"* with 21 days advance purchase, £175 single (peak) and £150 (off-peak); and "11th Hour Standby," £115 single (peak), and £100 (off-peak).

British Caledonian claims that these fares are all below the cheapest fares offered by *British Airways at present.*

British Caledonian's case will be presented to the Hong Kong authorities by Mr. Leonard Bebchick, a director of Caledonian Airways, *the parent* company of British Caledonian.

In addition to its Hong Kong application, British Caledonian has applied to the UK Civil Aviation Authority for route licences to serve St. Louis, Denver and New Orleans in the U.S.; Mexico City, and Salisbury in Zimbabwe-Rhodesia.

It also has an application before the CAA for 20 additional European routes from London Gatwick.

Sir Freddie Laker, chairman of Laker Airways is planning Hong Kong as the eastern pivot of a Skytrain route linking London, Hong Kong and Los Angeles.

He already operates between London and Los Angeles, and if he gets the go-ahead for the London-Hong Kong sector, he *will then apply for the dormant* Hong-Kong-Los Angleles route to complete the circle.

Cathay Pacific, the British-owned Hong Kong-based airline, plans a fast one-stop service with Boeing 747 Jumbo jets, initially flying three services a week from Gatwick Airport.

Cathay Pacific's lowest fare would be an advanved booking midweek budget price of £136. It claims: "As Hong Kong's own airline we have a rightful claim to provide a recriprocal service to that offered by British Airways."

MORE HOME NEWS ON PAGES 14 AND 25

'No Welsh' move defended

THE GOVERNMENT *decision* to drop its Queen's Speech commitment to establish a Welsh-language service on the fourth channel was defended by Mr. Nicholas Edwards, the Welsh Secretary, at the weekend. *He* said the initial consensus for putting the BBC and ITV Welsh-*language output on the fourth* channel, due in autumn 1982, would soon disappear if people *were deprived of seeing a major* part of the new channel.

Air passengers to pay double for security

THE SECURITY levy imposed on passengers at 28 British airports is expected to be nearly doubled next spring from the present 85p to £1.66.

The annual cost of providing security at UK airports has *risen dramatically* in the past year, and is now running at an annual cost of well over £25m.

As a result, the Department of Trade has felt obliged to raise the amount levied on each passenger.

Move to buy State docks at Falmouth

A BID to take over Falmouth Docks from British Shipbuilders is likely to be made by Britain's biggest privately-owned shiprepairers.

Mr. Christopher Bailey, chairman of the Cardiff company Bristol Channel Ship Repairers, and 17 of his executives completed a three-day inspection of the repair facilities at Falmouth yesterday.

He said that provided he could get "full co-operation" from British Shipbuilders about running the yard, he would be able to make an offer "which no commercial organisation could sensibly refuse."

"We could even be operating the Falmouth shiprepair yard before the end of this year."

With "the further co-operation of the labour force and the people of Falmouth" his company could very considerably increase the present workforce at the yard.

In June more than 1,000 men were made redundant at Falmouth. Mr. Bailey said that the present shiprepair team totalled no more than 80, plus 50 staff.

Workforce takes pay cut to save company

By Lisa Wood

MORE THAN £3.5m is to be *injected* into a power brake manufacturer by its U.S. parent company after employees agreed *to* a pay cut of about 10 per cent.

Clayton Dewandre, of Lincoln, part of the American Standard Group, was threatened with run-down and possible closure unless the 1,600 workforce accepted a pay cut of about £11 a week.

About 200 planned redundancies will also go ahead at the plant. The company was reluctant to say whether the new investment would create jobs but said it would mean a more stable working situation.

The company said the pay cut was necessary because an incentive scheme had "got out of hand" and earnings and production had drawn apart.

The parent company is to start a £3.5m investment at the Lincoln factory to be phased over two to three years.

Clayton Dewandre, which was taken over by the Standard Group in 1977, was unprofitable last year and the new investment and new earnings structure is intended to make it *more competitive.*

Rates rises over 20% expected

BY MAURICE SAMUELSON

LOCAL authorities are expected to raise rates by more than 20 per cent next year, in spite of Government efforts to keep increases at a far lower level.

On Friday, *Mr.* Michael Heseltine, Environment Secretary, is to announce the level of the *rate support* grant for 1980-81. Central government subsidises local authority ex*penditure* by *means* of the grant.

It is still unclear whether the *grant will be kept at this year's* level of 61 per cent of expenditure or whether it will be *trimmed* by another one or two per cent—such a trimming would be equivalent to raising rates by another three to six per cent.

In addition, the Government is expected to set much tighter cash limits than local authorities feel is necessary. While borough treasurers are forecasting increased inflation for *pay and prices of 15-17 per cent* next year, the Government is setting a lower level, of between 12½ per cent and 13 per cent.

According to the Environment Department, local authorities' spending in 1980-81 will be just over £17bn. If the rate support grant remained at this year's 61 per cent level, the authorities would receive £10.6bn through the rate support grant.

However, with the authorities themselves forecasting total expenditure at £18bn to £19bn, this is much less than they need to take care of pay and price inflation.

Should local government spending be in line with their own higher forecasts, this means that rates would have to be raised by 24 per cent, in contrast with the Government's estimate of about 10 per cent.

Recovery begins in retail sales after three years

FINANCIAL TIMES REPORTER

RETAIL SALES *in shops* have been recovering this year, but not enough to offset the decline of the last three years, says a report by ICC Business Ratios.

The report, on financial performance of 98 leading retail companies in the three years to October 1978, compares growth in various sectors' sales in the period with that in 1975-76.

There was an overall slowing of growth from 22 per cent in 1975-76 to 18.7 per cent in the subsequent two years.

Electrical goods retailers achieved the highest overall sales growth, largely as a result *of the jump* in sales by Dixons Photographic group from £68m to £183m.

Among individual companies the biggest growth in turnover was in decorating and furnishing. Times Furnishing sales rose by 67 per cent; Harris Carpets, 58 per cent; and MFI Furniture Centres, 46 per cent.

High Street Trading; ICC Business Ratio Report, 81, City Rd., EC1; £60.

Our Welcome to the JAMAHIRIYA*

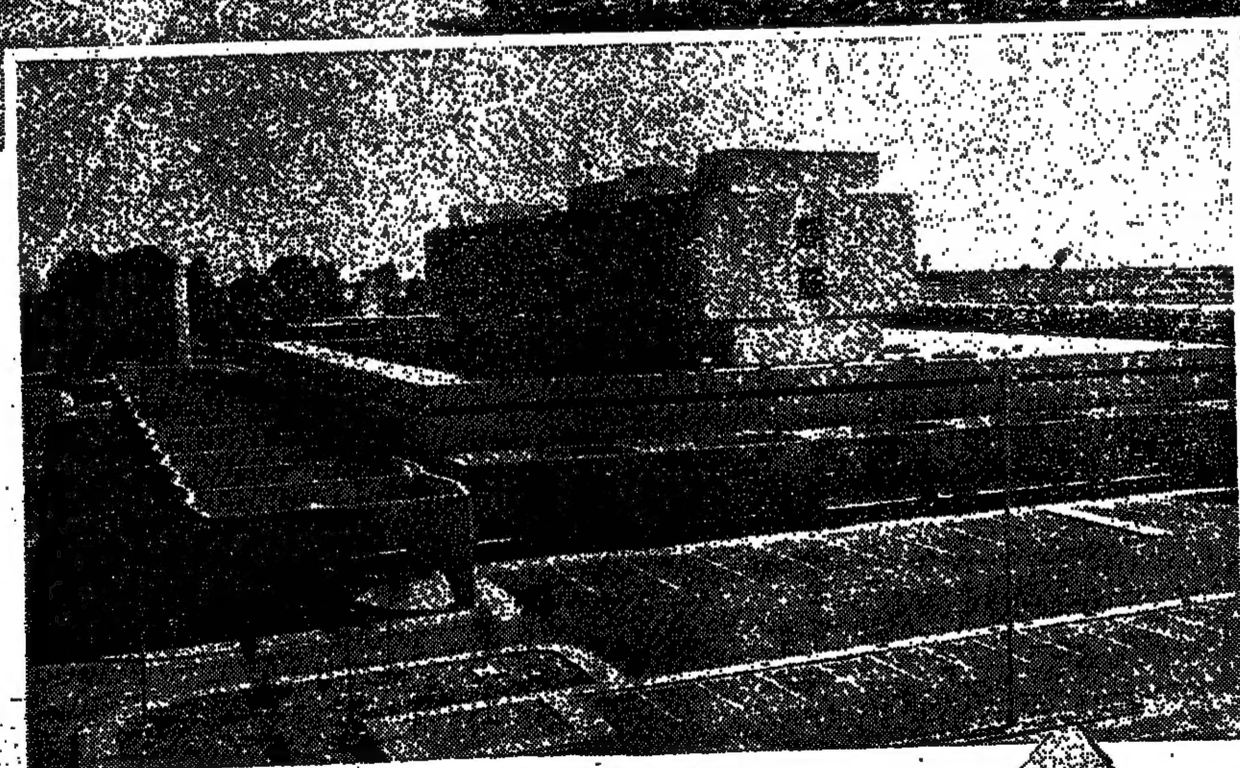
Libyan Arab Airlines,

with its continuously developing route system, is very conscious of the need to back expansion in the air with top class facilities on the ground.

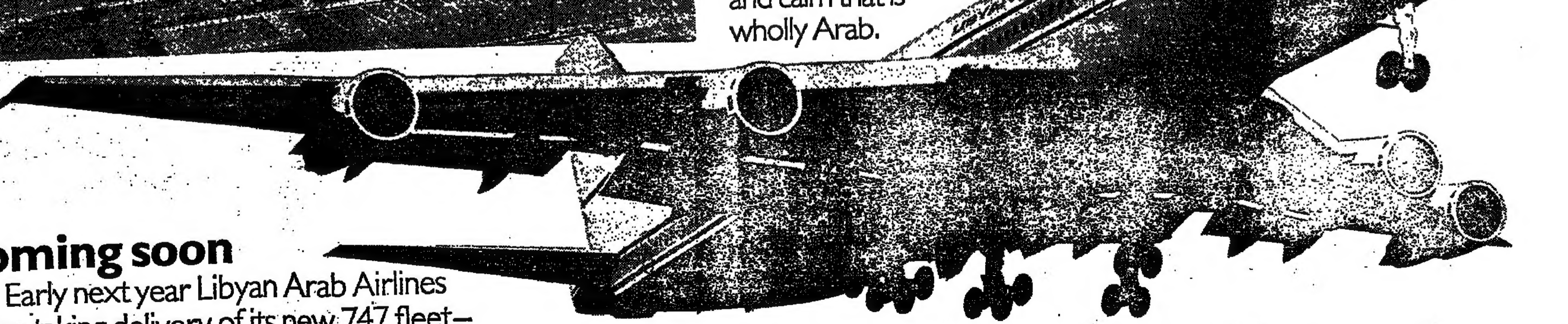
As well as the desire to provide passengers with a first rate Airline service, this striving for the highest standards is part of the revolutionary spirit of the Jamahiriya—something we aim to see reflected in everything we do.

There's no better example of this than our new airport at Tripoli. Here, you meet us on our home ground. It's where we welcome you to the Jamahiriya.

We're proud of our Airport, one of the most advanced in the world, and we'd like to take this opportunity to show you round...



The new terminal at Tripoli Airport was opened in 1978—since 1970, international passenger traffic, through Tripoli and Benghazi, has seen an eight-fold increase! Although of great capacity and with completely up-to-the-minute installations, the new terminal is Islamic and traditional in design. Its elegant arches and strong simple lines express a dignity and calm that is wholly Arab.



Coming soon

Early next year Libyan Arab Airlines will be taking delivery of its new 747 fleet—three aircraft in all—another dramatic leap forward in the airlines policy of continuous expansion. Following, as it does, so closely on the tenth Anniversary of the Revolution, this adds a potent affirmation of all that has happened since September 1st 1969, and carries forward the surge of development that will take the Jamahiriya into the eighties.

الخطوط الجويّة العربيّة الليبيّة
LIBYAN ARAB AIRLINES

* **Socialist People's Libyan Arab Jamahiriya**

Murray warns against 'hysteria' over cuts

BY OUR LABOUR CORRESPONDENT

A SERIES of "genuine dilemmas" which the trade union movement must resolve within its own ranks was identified by Mr. Len Murray, TUC general secretary, at the weekend.

He told a TUC rally in Newcastle that the trade union movement must relentlessly expose "the heartlessness and the class bias" of the Government's cuts in education, housing and the health service. But, continued Mr. Murray, trade unionists must avoid reacting hysterically.

Emotional spasms were no substitute for clear thinking and opportunism was no excuse for not getting priorities right. It was necessary to think through the genuine dilemmas that faced the movement.

"We must find a way of reaching agreement on how we get the right balance in the use of resources between our productive industries and the public services and how we get agreement on priorities in public spending. We need to think through the roles of direct and indirect taxation and the taxation of wealth."

While the trade union movement rejected the Government's attack on the nationalised industries, there were problems in that area such as the right financing basis, pricing policy and the role of subsidies.

It was also necessary to tackle "the real problems of industrial relations and trade union structure that we all know exist."

These included. developing adequate procedures and sticking to them; improving inter-union co-operation; ensuring that unions never used the strike weapon against each other in inter-union disputes; and getting the right balance between low pay and proper differentials.

"All these are difficult and complex problems. They will not go away if we ignore them. They are not susceptible to easy answers. But the society of which we are an integral part will rightly insist on knowing what our answers are and knowing where we stand.

"The answers do not lie in new legal entanglements. They can only be found through hard thinking and given substance by acts of collective will."

Sleeping BL workers face action

NIGHT WORKERS at a British Leyland paint shop who were found to be asleep during a spot check may face disciplinary action for an alleged breach of safety regulations.

The 14 men in Block 38A at the Range Rover plant in Solihull, Birmingham, devised a method of completing their workload halfway through their shift so they could spend the remainder of the time asleep.

BL said yesterday that in doing so they had broken safety regulations.

Management made a spot check at 4 am on Friday when most of the workers were found sleeping in the locker room. The conveyor track was switched off.

The men are expected to be called before the management today. They will be given the opportunity of having representatives of the Transport and General Workers' Union present at the hearing. Disciplinary action could result in suspension or even dismissal.

BL stressed that the men had been keeping to their work schedules and turning in work of the required quality.

Stewards meet on halt to investment

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHOP STEWARDS at Caterpillar Tractors, Uddingston, Lanarkshire, are to meet today to consider the implications of a management decision to cancel a £10m investment.

The company said on Friday that the next model in the successful D8 range of earth-moving machines, the D8L, would be produced at its U.S. plant at Peoria, Illinois, rather than in Scotland as planned.

Between £2m and £3m has already been spent preparing the Uddingston plant for the new tractor, a replacement for the present D8K model, which is to be phased out from the end of 1980.

The local management said the workforce of 2,500 would not be affected by the decision, and it was hoped that a new model from the Caterpillar range would be secured for manufacture in Scotland.

It had been decided to produce the D8L in the U.S. because of the larger home market there. However, shop stewards were concerned about the announcement, particularly in view of the contraction in other parts of the Scottish engineering industry. Massey Ferguson announced on Friday that it is to close its combine harvester plant at Kilmarnock with the loss of 1,500 jobs.

Mr. Hugh Grant, shop stewards' convenor at Caterpillar, said that the decision seemed like another example of an American multinational withdrawing from overseas production and concentrating on home plants.

Stewards were extremely worried and had asked full-time union officials to take up the matter. The priority would be to try to find out what the company would do to keep the plant operating at full capacity.

Tugmen continue action

THE 300 tugmen on the Mersey continued, for the 14th weekend since early August, blacking of the Gladstone Dock river entrance to the £50m Royal Seaforth container terminal at Crosby.

Originally it was a complete ban from Friday night to Monday morning but this has been eased to cover only the three nightshifts. This has meant that a total of 14 ships have been able this weekend to move in and out of the port in the daylight hours.

Times 'who does what' talks go on

By Alan Pike
Labour Correspondent

FURTHER efforts were made yesterday to resolve the demarcation dispute which has broken out between two Times Newspapers unions on the eve of republication of the company's suspended newspapers.

Feeling last night was that the dispute, over the control of counter-stacker machines which stack newspapers as they come off the printing presses, would not interfere with tomorrow's planned republication of The Times.

Officials of the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel met yesterday in an attempt to decide whose members should control the flow of papers into the machines.

Warning

Union officials and management accept that in the early days of republication there may be other sectional disputes arising out of new agreements.

Republication of The Times will come after an absence of almost a year. The management suspended publication on November 30, 1979, after failing to obtain union agreement on industrial relations reforms.

Republication of The Times' sister paper, the Sunday Times, is due next Sunday.

Pay Commission methods 'likely to disrupt' job market

BY OUR LABOUR CORRESPONDENT

THE CLEGG Commission on pay comparability is criticised for being "likely to play a disruptive rather than a beneficial role" in the labour market in the latest issue of the National Westminster Bank Quarterly Review published today.

Mr. Michael Beenstock and Mr. Harold Immanuel of the London Business School argue in a review article that the Clegg Commission's bases for comparison are not well conceived.

"If it is to enjoy a constructive future the focus on comparability for its own sake should be abandoned in favour of an appropriate market analysis for public sector pay."

The authors outline a possible methodology for calculating the impact of market forces in contrast to the Clegg approach of national job evaluation.

In its first report the commission recommended various relative pay increases for groups of manual workers. Tentative conclusions by the authors based on the market approach seem to confirm the recommended pay increases for school-helpers, dustmen and ambulancemen, although not necessarily the relative size of the rises. The market approach would disagree with the awards for road sweepers, hospital porters and ward orderlies.

The NatWest review also contains articles on the British National Oil Corporation, on paying for health care, on the changing role of women in the British economy, on Spain, and on central bank functions in less developed countries.

CBI welcomes 'insider' ban

GOVERNMENT PROPOSALS to ban insider dealing have been welcomed by the Confederation of British Industry.

Mr. Bryan Rigby, a deputy director general of the CBI, said: "These mark a distinct step forward on the last Government's proposals. They will make it easier to catch the criminal who makes gains for himself or his friends from privileged information reaching him in the course of his job—while interfering as little as possible with legitimate dealings."

The Government has been waiting for public reaction to the consultative document.

Pickets at hospital hear patients' protest

PATIENTS at the strike-hit Charing Cross hospital in London yesterday, urged union pickets to find another way of settling the dispute that is holding up vital supplies.

Three hundred patients have signed a petition urging the striking workers to call off their picket. They fear patients' safety is being put at risk because some supplies—mainly heating oil—are not getting through.

The strike, by 55 members of the engineering and electricians' unions, AUEW and EETPU, is over the dismissal of two engineers who refused to do a "labouring job."

The petition was organised by teacher Mr. Michael Peake, 29, who has been a patient at the hospital for five weeks. "The people who are really suffering in this dispute are the patients," he said. "They need a chance to express themselves."

Mr. Peake, who is a member of a union, said he had spent two years in hospital for cancer operations and realised the problems that arose when there was a threat of operations being postponed.

"It's not union-bashing, it's just that I felt no grievance, however strong it may be, could justify putting patients' lives at risk. I've seen a lot of suffering and worry."

The petition urges pickets to seek other ways of settling the dispute.

Charing Cross hospital said that the hospital was still closed to admissions.

Staff were "anxious" about the level of heating oil.

Bargaining art 'forgotten'

By Robin Reeves,
Welsh Correspondent

BRITISH EMPLOYERS have forgotten, or never learned, the art of free collective bargaining with trade unions, according to a report by IRPC, a Newport, South Wales group of industrial relations consultants.

It says that after nine years of incomes policies, during which pay maxima became pay minima, older managers have forgotten, and younger managers never learned, how to negotiate a pay deal based on productivity and profitability.

Building and Civil Engineering

£11m McAlpine award

THE LARGEST contract so far undertaken by Sir Robert McAlpine project management is now under way at Stourton, Leeds, West Yorkshire.

Valued at £11m and awarded by the North Eastern Postal Board, the contract calls for the construction of a new parcels office on a six hectares site off Skelton Grange Road.

The building will be about 166 metres by 87 metres on plan and 14 metres high. Some 20,000 square metres of floor space will be provided within the steel-framed, plastic-coated, steel clad structure founded on 550 concrete piles.

McAlpine says its responsibility extends to the entire building construction, all mechanical and electrical services and the installation of £4m worth of purpose-made plant and equipment. At least 100 sub-contracting firms will be controlled by the management team with a view to completion by the end of 1980.

Architects are Abbey and Hanson Rowe and Partners of Huddersfield, structural engineers Ove Arup and Partners of Sheffield, quantity surveyors Gleeds of Leeds and building engineering services consultants Edward Pearce and Partners.

£4½m S. London project

Y. J. LOVELL (London) has been awarded a £4.5m contract by Capital and Counties Property Company for the construction of the first phase of the Riverdale development in *Lewisham in South London.*

The six-storey office building will consist of a reinforced concrete frame clad in brickwork on pile foundations with car parking within a ground level podium.

The contract also includes laying out over an acre of public open space, the re-creation of the mill pond which served the 19th century mill retained on the site and the construction of a studio/gallery building.

Architects for the project are Frederick Gibberd and Partners and the quantity surveyors are A. E. Thornton-Firkin and Partners.

More work for Jarvis

NEARLY £3m of new work in the London area and over £1m worth *in the provinces have* been awarded to Jarvis.

In Victoria Road, Acton, London, W3, Jarvis is to build an industrial estate of 13 warehouse and industrial units designed by Covell Matthews/John Wheatley Partnership for Second London Wall in association with the *Sun Alliance* Insurance Group.

For the Harpur Trust of the Bedford Educational Charity a four-storey and basement block of offices with flats on the top *floor are being built in Prince*ton Street, London, WC1. An adjoining listed Georgian building, 32 Bedford Row, will be linked to the new block and provide remodelled office suites. The architect is Frederick Gibberd and Partners.

In Romford, Essex, the computer suite of the Essex Water Company is being doubled in size to the design of Gerald Shenstone and Partners while at Lymington, Hants, Jarvis is rebuilding the chicken processing factory of Golden Produce, part of the *Fitch Lovell Group*, which was destroyed by fire in August. *Raymond J. Cecil* and Partners of Southsea are the architects.

In Manchester Jarvis is carry*ing out restoration work to the* Liverpool Road Station for the Greater Manchester Council. The restored station building and goods shed will form part of the GCM Railway and Science Museum, for which Thomas Worthington and Sons are the architects.

Workshops and reservoirs

FIVE DIFFERENT contracts awarded to F.C. Construction are worth more than £2m and include a £750,000 job for the design and construction of new workshops and an amenity block for the South Staffordshire Waterworks Company at Green Lane, Walsall.

Northampton Water Division of the Anglian Water Authority has awarded a £430,000 contract for a 3m-gallon reinforced concrete reservoir with incidental pipework at Salcey Forest, Northampton, with completion in December, 1980, and work has started, and is due for completion next February, on a £130,000 contract for Markham *and Co. This is for designing* and constructing two machine foundations on piled foundations at Broad Oak Works, Chesterfield.

Work has also commenced on *the design and construction* of a 5,000 cubic metre reservoir for the Mid-Kent Water Company, near Lamberhurst.

The company will carry out construction of an apprentice training school for British Rail Engineering at Derby under a £600,000 contract.

IN BRIEF

● Widening of the lighthouse pier in Stromness, Orkney, is worth *£500,000 under a contract* awarded to Lilley Construction. *Pier is presently used by the* northern lighthouse ship Pole Star which services lighthouses in the north of Scotland, including Suleskerry (Britain's most isolated light) situated in the Atlantic 30 miles west of Orkney.

● *Work on the Motorlink Estate* at Glasgow has been started by Rowlinson Constructions which, over the next 10 years, will build about 80 factories and warehouses on the site at Bellshill, nine miles east of the city centre.

● British Aluminium Company has appointed the Ralph M. *Parsons Company of Kew Bridge* Road, Brentford, as managing contractor for the engineering, procurement, construction, commissioning and management of the £35m modernisation project of the Lochaber smelter at Fort William.

Equipment for plant in Jordan

MEETING AND beating intense *international competition*, Balfour Kilpatrick has won a *major* award, estimated at around £5m, to design, supply and set up relay panels, cabling, lighting and small power equipment for a big fertiliser project at Aqaba in Jordan. Lightning protection equipment is also to be provided.

The company is a member of the Balfour Beatty Group of BICC.

It is intended to start on the UK company's contribution to the project in April next year and completion is expected to be announced one year later in April 1981.

Wates to refurbish

TWO REFURBISHMENT *contracts* in the private sector are worth £1m to Wates Special Works.

Conversion of four six-storey houses at Onslow Gardens, London, SW7, into 16 self-*contained luxury flats*, and four maisonettes for Co-partnership *Property Developments* will include significant structural alterations, lift installations and completely new services throughout, at a cost of £800,000.

Valued at £300,000, is a Spiller's project for the fitting-out and conversion of St. Giles *House in Drury Lane. This is* scheduled for completion next February and comprises alterations to provide both executive and general offices on five floors.

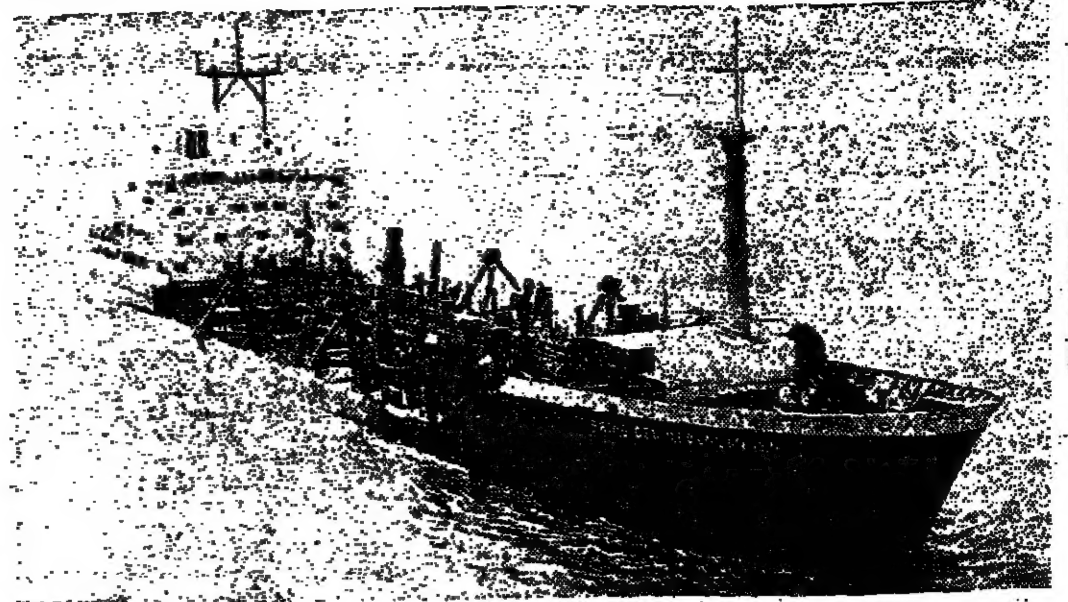
Tasks for Land and Marine

PRIME AWARD in a series of contracts just won by Land and Marine, subsidiary of Royal Bos Kalis Westminster Group, is for a prestige four-storey office block at Chester.

It forms part of the £2.5m *total value disclosed by the com*pany, which sum also covers the erection of a sheltered scheme of 51 flats at Huyton, Liverpool, for the Liver Housing Association.

Other work includes a salt loading wharf at Runcorn, sheet piling at Northwich and pipe-bridge bases at Rocksavage. These three jobs are for ICI *Mond.*

Land and Marine is also to *build a waste treatment lagoon* for RV Chemicals of Widnes. Stabilisation of the river wall at



Under a $5.8m contract to Westminster Dredging (Overseas), this hopper dredger is working in the port of Bahia Blanca for Direccion Nacional de Construcciones Portuarias y Vias Navigables of the Argentine. The intention is to remove about 2m cubic metres of material and double the width of the main shipping channel to 250 metres. The vessel is the flagship of the Royal Bos Kalis Westminster Group's 100-odd fleet. This is the Westminster Dredging holding company which expects to carry out further work in the area once the Bahi Blanca job has been completed.

Insurance company work

TWO TASKS just taken on by Rush and Tompkins are for insurance companies.

The largest operation is worth £3.3m. It is for the United Friendly Insurance Company and provides for the construction of an eight-storey office block.

Sited in London, the block will be of reinforced concrete frame structure with stone cladding, representing the third *phase of the company's head*quarter's planning. It will thus abut a block set up by Rush and Tompkins under an earlier phase some years ago.

For Royal Insurance Company, in Southampton, the *builder is to carry out a substan*tial development worth £815,000.

In the main shopping centre of the city, the development calls for the construction of a large basement and the shoring up of an adjacent cinema. On this basement, a four-storey brick-clad block will be built to *accommodate shops, offices* and a church.

Aberdeen office block

AN OFFICE block and car park, *worth £2.1m*, will be built by Laing Scotland under a contract *awarded by Aberdeen Service* Company (North Sea).

The six-storey, 7,100 square metre office block will provide open plan accommodation which can be sub-divided to meet tenant requirements, and a linked two-storey car park will provide space for up to 104 vehicles.

The building will be of reinforced concrete frame construction on reinforced concrete foundations with precast con*crete panel cladding and alu*minium framed double glazed windows. It will be built to a high standard, says the company, with a prestige entrance foyer, three fully automatic lifts, and high quality finish throughout.

It is the Aberdeen Service Company's intention to transfer its headquarters to a part of the completed development.

Three jobs for Myton

THREE SEPARATE contracts with a combined value of over £1.8m have been won by Myton, member of Taylor Woodrow Group.

First project, worth £922,154, was let by Possfund Trustees and is for the erection of a single-storey warehouse building in four units with a total floor space of about 64,000 sq ft plus ancillary offices. Site is on the Perivale Industrial Estate, Middx.

Another award is from Tesco. This £575,000 contract for the extension and refurbishment of an existing store in Churchill Square, Brighton.

Third job is worth £331,330, and was let by the Council of the Order of St. John for London on a design-construction basis, for alterations and refurbishment of an existing building in York Street, London W1, to provide a first aid training centre and administration headquarters for the St. John Ambulance Association and Brigade in Greater London.

Industrial work

AWARD OF contracts totalling £5m for industrial projects in Yorkshire, Lancashire, the Midlands and South Wales have been made to R. M. Douglas.

The largest project included in this total is a contract worth £4.3m for civil and structural work at the Stocksbridge works of the British Steel Corporation. Work has started and the contract period is 77 weeks. Consulting engineers are White Young and Partners, and the quantity surveyors are Turner and Townsend.

Completion by Bovis

FOLLOWING THE *liquidation* of the original contractor, Bovis *has taken over the* Russell Road housing development in London for the Borough of Haringey.

The award to the company is £1.3m and it will go partly towards making good damage and deterioration of the completed structures which has been due to the combined effects of the weather and the *break in continuity of construc*tion.

The new target for completion of the scheme is November next year and it covers a series of two- and three-storey dwellings in Hornsey.

Architects for the scheme are Howell Killick Partridge and Amis.

In the West Country, the company is to extend production facilities for the thermo-*formed plastics* packaging factory of Dickinson Robinson Group in Bristol under a £1m contract.

An additional 3,700 square metres of production space is to be provided.

Improving houses

BOROUGH OF South Tyneside *has awarded a £1.5m contract to* HGS—Humphreys and Glasgow *Services*—for the complete modernisation of houses, including the installation of heating systems, at Horsley Hill, South Shields. Work is scheduled for completion by February, 1981.

Awards to William Davis

LARGELY CONCERNED with housing, five new contracts have been awarded to William Davis (Leicester) of Loughborough. They add up to a total of over £1¼m.

The biggest of these tasks is valued at £574,056 and is for the modernisation of 92 houses at *Stapleford, Nottingham for the* Broxtowe Borough Council.

Some 52 two and three-person flats are called for under the second job, which is worth £541,455 and has been placed by the Loughborough and District Housing Society. The site is Crewton Gardens in Alvaston.

William Davis is also to modernise 24 flats in Nottingham for £128,282 under an award by City of Nottingham Council.

An industrial development at Gelder Hall, Shepshed and valued at £180,000 is about to start.

Finally, the company is preparing to start work on a foul water sewer at Oadby for Oadby and Wigston Borough Council.

New sea defences

FAIRCLOUGH CIVIL Engineering is constructing a 600 metre long stepped pavement at Sheerness under a £1.04m contract for the Southern Water Authority.

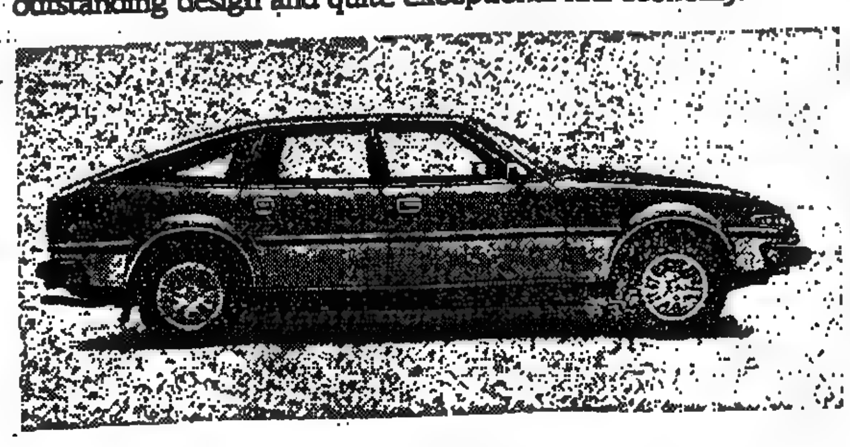
The new sea defences are being built to protect the town from severe storms of the kind which has caused flooding during the last two winters and, last year, damaged existing defences.

A 13-feet wave wall *behind* the promenade will also prevent flooding of low-lying land behind, and the sea defence will be further strengthened by a series of steel piles driven into the short-line. The promenade will be topped also by a new stretch of road, slightly higher than the existing carriageway.

WHAT SHAPE WILL YOUR CAR BE IN FOR THE 1980's?

More economical shape

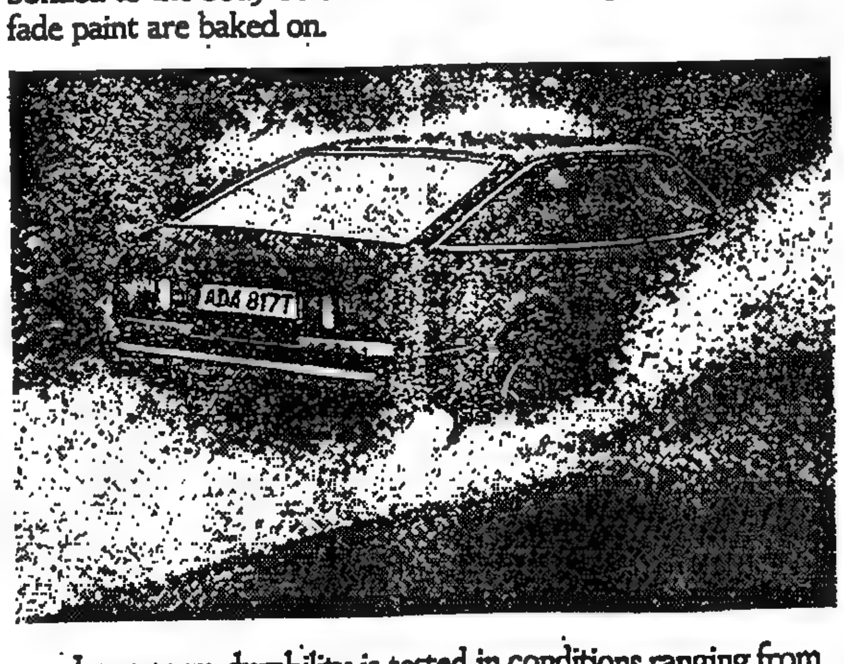
The motoring times are changing fast. Most of the big saloon cars designed for the '70s are beginning to look decidedly inefficient and out of date. With four notable exceptions. The new Rovers—2300, 2600, 3500 and V8S—were designed for the 1980's from their very conception, with a unique combination of high performance, high quality, outstanding design and quite exceptional fuel economy.



In the 1980's, a fuel saving aerodynamic shape will be essential. Rover's design is well ahead of its time and its competition. Rover elegance is a direct consequence of aerodynamic efficiency, giving an unmatched balance of performance with economy—the powerful Rover 3500, for instance, cruises at 36 mpg* and reaches 122 mph.

Better shape

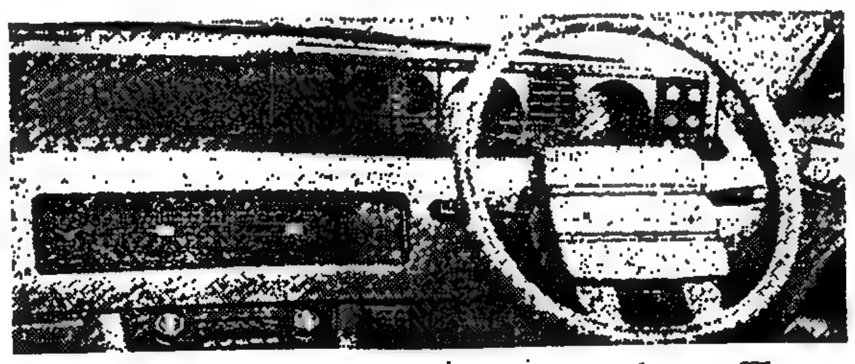
The 1980's will demand better built, longer lasting cars. Every Rover passes through a succession of the most stringent quality control checks known in the car industry. The paint and protection process alone is one of the most sophisticated in the world: 2 layers of anti-chip primer are electrostatically bonded to the body before 4 coats of thermoplastic, anti-fade paint are baked on.



Long term durability is tested in conditions ranging from the Texas deserts to the Lapland snowfields.

Safer shape

The 1980's will have their hazards. Today's Rovers are designed to protect you from them. They share a strong, monocoque body shell with impact absorption zones front and rear, and energy-absorbing compression struts in the door panels. The fuel tank is securely positioned in front of the rear axle and the system carries a fuel cut-out switch, to minimise accident fire risk. Every Rover is fitted with a



Triplex Ten Twenty Superlaminated safety windscreen. The brakes have a failsafe dual circuit. Inside, potential impact areas are padded and all the car's essential systems are monitored and displayed on the fascia.

The Rovers for the 1980's are obtainable now from your Rover showroom. A test drive will soon show you the difference between yesterday's car and tomorrow's.

Rover. In great shape for the 80's.

This coupon will bring you full details of the Rover range. Please complete and send to Rover Information Services, Jaguar Rover Triumph, PO Box 4, Oxford OX4 3PP.

TITLE ___ INITIAL ___ SURNAME ___

NO. AND STREET ___

TOWN ___

COUNTY ___

POSTCODE ___ AGE IF UNDER 18 ___

F1

Rover

Jaguar Rover Triumph

2300/2600

3500

V8S

*Complete Government Fuel Consumption Figures, Rover 5-speed manuals: 2300 urban motoring 17.5 mpg (16.1 litres/100 km), constant 56 mph (90 km/h) 36.8 mpg (7.7 litres/100 km), constant 75 mph (120 km/h) 31.0 mpg (9.1 litres/100 km). 2600 urban motoring 18.5 mpg (15.3 litres/100 km); constant 56 mph (90 km/h) 38.2 mpg (7.4 litres/100 km), constant 75 mph (120 km/h) 30.2 mpg (9.4 litres/100 km). 3500 urban motoring 16.2 mpg (17.4 litres/100 km); constant 56 mph (90 km/h) 36.3 mpg (7.9 litres/100 km); constant 75 mph (120 km/h) 27.9 mpg (10.1 litres/100 km). 5-speed gearbox optional on the 2300. Car shown features optional alloy wheels.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

EXECUTIVE HEALTH BY DR. DAVID CARRICK

A case for much more stringent road tests

A concatenation of irrelative circumstances coming close together can congeal into a complement concerning which certain conjectures can be conceived and possible solutions adduced for alleviating injury and death due to an unnecessary modern pestilence — the motorised vehicle and its conductor.

Too often senseless casualties arise from avoidable causes—including carelessness, callousness, callowness and physical or mental imcompetence

DURING the past few weeks, certain events have led me to speculate on the ever-increasing list of disasters which yearly cull the country of individuals who are irreplaceable — not only to their relatives but also frequently to the nation as a whole. Too often these senseless casualties arise from avoidable causes — including carelessness, callousness, callowness and physical or mental incompetence.

First came an unexpected blow: my wife's small car failed its MoT because of rust in that mysterious area beloved of garage-men, the "sub-frame."

Calamity

Second came the depressing experience of having to examine a banker's daughter, a girl of 19 who, until recently, *had been* a first-class athlete, had an *academic ability which should* have taken her far, and had also possessed considerable beauty.

All these *blessings* were blighted by a second of calamity. She survived the car crash, but now has one leg much shorter than the other and a deep indentation in her forehead which, presumably, is the *visible* indication of the internal damage that causes her *to drift off into trances* every few minutes. Maybe the best that can be said is that she is incapable of realising what she has lost.

The third occurrence was somewhat bizarre. Having travelled in the dirty, rattling discomfort — for which one pays so much on a BR train, with a suspension that would have made that of a mediaeval whirlycote seem smoother than silk, I encountered a somewhat inebriated acquaintance staggering out of the station. "Want a lift? 'Course y'do!" he said thickly. My polite refusal was rebuffed. "S'pose you think I've had a few," he said, "But you don't have to worry. I'm not driving. Mummy is."

As he is a man in late middle-age, I presumed he was referring to his wife in a whimsical manner. Not at all. There, sitting bolt upright behind the wheel of a hearse-like limousine, was an antique and formidable lady. We got in and the man promptly went to sleep. "Poor Charlie!" boomed Mummy. "He works too hard in the 'Change, y'know. Worn out like this every night."

We sat and went on sitting until the place was quite deserted except for a cat and an empty car *in front of us*. I asked *whether she* and her snoring son were waiting for another train. "Certainly not!" she barked, "Just waiting for this fool in front to come back." As there was nothing behind, I suggested reversing. This was not well received. "Don't be so *damned silly!*", *she snapped*. "Don't know how to back! Never was taught that! Too late to learn now!" And during the half hour or so it took the other driver to remove his vehicle, I had plenty of time to ponder on the twice-weekly judgments my good lady passed on other drivers in her capacity as a magistrate.

Taking the incidents in reverse order, I wonder just how many "mummies" are still driving. Surely the very elderly should have annual medical and driving tests? In fact, in these days of everlasting licences, five-yearly driving and medical tests would not go amiss for everyone. Even if simple eye-tests became obligatory, I am sure that many unnecessary accidents would be avoided.

The second matter: that tragic girl, *prompts me to a view* which I am certain will earn *the rage of adolescents. Driving*-tests as they stand are hardly better than none. Prior to the first lesson, aptitude tests *might* eliminate the psychopathic element that screams round blind bends.

The successful would then be taught *driving*—not how to pass the test. They should be instructed in a few common *hazards such as slippery roads*, the effect of gales, and the problems of bad visibility. Then, after passing the test, a year's probation should be enforced, because it is in that first year that many tragedies occur.

That once golden girl had passed her test *one day* before the accident. Her over-indulgent father had lent his Mercedes sports car and had waved as she shot away. Just *two hundred yards was as far as* she went before she was faced with a situation outside her tuition; and panicking at 60 mph is unlikely to lead to soft landings.

Monsters

But what of motor-bikes? What indeed! There are no real tests at all. Any 16-year-old can buy one of these unstable monsters and let *his exhilaration* exceed his experience. The tragedies are many, but one must admit that they are not always the fault of the riders. Sometimes they are in the right. Unhappily, that is of no solace to the relatives who are left.

At last to the first matter: the MoT. Without doubting the importance of such tests, I do wonder how often defective vehicles cause *accidents*. If in the hands of the inexperienced, careless or psychopathic drivers, they are a menace . . . and so are the newest, most immaculate of limousines.

Is all this "executive health"? Not really, but what is the point of advocating exercise and other measures to make an executive healthy if he or she is a dangerous driver or *is struck by one? Because no* degree of fitness can prevent sudden death from his own recklessness, or from the appalling mistakes made by other drivers who happen to be mentally or physically ill; or are too old in their unwitting stupidity or those who, being foolhardy *through* inexperience, are wise in their own conceit.

A selection of Dr. Carrick's past articles on various health topics has recently been published by Bay Books, under the title of Executive Health. Price £4.95.

Andrew Fisher on the tobacco giant which went into packaging

BAT tries to box clever

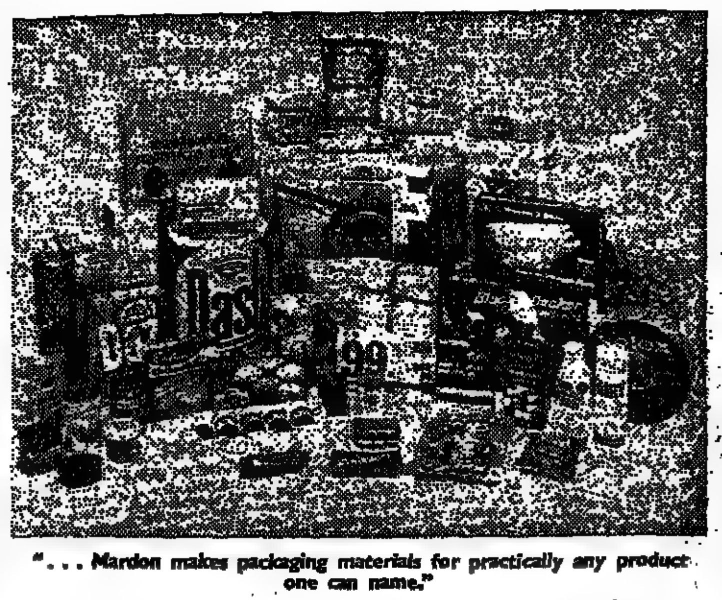
LIKE A heavy-footed giant, eager to change direction but unable to do so with any *speed*, BAT Industries has made strenuous efforts to diversify *in the past 15 years*.

In the mid-1960s, it moved into *cosmetics*, later it spread into the paper industry, and *finally it muscled* in on the retail market on both sides of *the Atlantic*. Its *latest step*, the full acquisition of Mardon Packaging International, is hardly a leap in the dark, but it does underline BAT's continued desire to develop sources of profit other than its predominant tobacco interests.

The increase in BAT's Mardon stake from 50 per cent to 100 per cent by the purchase of Imperial Group's interest, for nearly £88m, will tip the scales *slightly further* away from tobacco which, while providing 70 *per cent* of its profits, now accounts for little more than half the total assets.

For Mardon, the full move into the BAT empire, after 17 years of *shared ownership*, will clear the air, since the company had been starting to *feel* slightly anxious about its *future*. "*It was right* for us to go one way or the other," comments John Cornish, Mardon's chairman and managing director.

BAT's experience outside the world of tobacco has been mixed. Cosmetics, which *include* the Yardley, Lentheric, and Morny ranges, form only a tiny part of the total business. Its entry into retailing was bold, but there have been major problems — especially with Gimbels in the U.S. and International Stores in the UK—and *it is still nursing the bruises* caused by stiff competition and paltry returns.



"... Mardon makes packaging materials for practically any product one can name."

Slower growth

Only BAT's paper interests, primarily Wiggins Teape in Britain and Appleton Papers in the U.S.—the latter bought for £153m last year—have performed vigorously enough to match the sort of profit margins provided by tobacco. Paper accounted for 12 per cent of *group trading profits in the* financial year to September 30, 1978, and achieved a 9.2 per cent return on sales against 7.6 per cent *for* tobacco, 1.6 per cent for retail activities, and 4.3 per cent for cosmetics.

As well as being Britain's third largest industrial company in turnover terms, BAT is also the largest tobacco products manufacturer in the non-Communist world. It certainly has no desire to see slower growth in this industry, but Peter Macadam, the *chairman*, still holds to the aim, expressed a *couple of* years ago, that the non-tobacco side should eventually contribute two-fifths of the profits.

The deal with Mardon is in line with this view, and BAT intends to use its own cash and expertise to promote the ambitions of its new subsidiary.

Mardon is, by its own admission, a low profile company, even though it is Britain's number *two packaging concern*—behind Metal Box, which is in a different segment of the market. It also ranks number eight in Europe. The product in which it really holds sway is folding cartons, of which it is Europe's main producer; these are responsible for nearly a third of total sales.

"Our strength," says Howard *Webber, Mardon's assistant* managing director, "is in *operating* relatively small companies as autonomously as possible." The average size of its production units is less than 200 people and its acquisitions, which have been fairly numerous, have also been relatively small—"We don't tend to go for big bites." Nor, despite its parentage, does Mardon depend heavily on the *tobacco market. Just over half* its packaging sales in the UK are to the food and drink industries; less than a fifth are accounted for by tobacco.

Mardon makes packaging materials for practically any product one can name. Its wrappers protect bread, biscuits and sweets, its cardboard tubes encase whisky bottles, it makes cartons for detergents, dog food and ice cream, and it provides *eye-catching containers for* cosmetics. The company also manufactures a variety of fibreboard cases, drums and tubes for industrial use, prints books, cheques and catalogues, and supplies expanded polystyrene packaging for TV sets and other appliances. At the consumer end of the market, it makes labels for wine and champagne bottles, and produces calendars, nude or otherwise, to order and for stock.

When Imperial and BAT formed Mardon back in 1962 from five companies which mainly supplied packaging to the tobacco industry, they each *put in £8m. Turnover in the* first year was less than £15m. By the end of Mardon's latest financial year to September 30, 1979, this had grown to some £360m, an advance of around 15 per cent on 1977-78.

Profits have also moved vigorously ahead, although last year's growth at the pre-tax level was only just over 7½ per *cent to £23½m* compared with 11 per cent in the previous 12 months. The slowdown was caused mainly by the impact of a packaging industry dispute on North American earnings, with sterling's strength, new machinery *problems in the* can-making sector, the UK road *haulage strike in early 1979, and* the decision not to consolidate profits of the Zambian business for political reasons, also playing their part.

Yet John Symons, BAT's finance director and a member of the Mardon Board, expects the growth rate to accelerate in the future. And while admitting that the addition of Mardon will eventually help to offset its parent's problems with advance corporation tax—nearly 44 per cent of BAT's 1977-78 profits of *£433m went* in tax, against 38 per cent the year before—he indicates that the deal should not necessarily be seen in that context. It is simply too expensive to march in and buy a company with worthwhile UK earnings, he says. "The most effective way to minimise ACT *is to make what we've got in* the UK work better and better."

Under the wing of BAT, Mardon should have a much wider scope outside the UK. It has already been thrusting ahead in *Canada* and the *U.S.*, where it makes about *a quarter* of its total sales, and does nearly a *tenth of its business* in the rest of Europe. With the aid of BAT's *strong* presence in a variety of other markets, Mardon could also penetrate such unfamiliar markets as Brazil, Mexico, Nigeria, Indonesia and Malaysia.

Detailed *talks on the* areas to be aimed at and the likely costs of entry will be held between BAT and Mardon following the bowing out of Imperial Group, with whom the packaging company will, nevertheless, retain its trading links. "We shall look at the world and see what opportunities there are," *says* Macadam. In West Germany, where Mardon ranks fifth in the folding cartons sector through Rotopack of Stuttgart, talks on a further deal are now under way, and the company is also involved in more U.S. negotiations.

As well as being a further step in BAT's attempts to boost its *non-tobacco activities*, the purchase of Mardon from Imperial can also be seen as a final step in the unscrambling of the two major groups' marketing and financial arrangements. This complex process started some seven years ago to comply with the Treaty of Rome *when Britain joined the EEC*.

Forbidden sharing

Since the start of this century, Imperial had marketed its own and BAT's cigarette brands in the UK and Ireland, while BAT ranged over the rest of the world. But such market-sharing arrangements are forbidden inside EEC boundaries under *European law. Following their* unwinding, BAT is now fighting hard to lift its near 4 per cent share of the UK tobacco market which it entered in the summer of 1978.

Imperial, *for its part*, now has its eyes on the U.S. hotel and restaurant market with a controversial $630m (£300m) bid for the Howard Johnson chain. It cleared its decks in March by selling off most of its remaining shares in BAT for just over £150m.

How will BAT handle Mardon, now that it has become its sole owner? It will not, for one thing, integrate the company with its large existing paper division. Mardon will be operated as a separate activity within the BAT orbit, retaining its flexibility but adapting its management structure to *accommodate the increased* growth expectations.

The number of BAT directors of Mardon will rise from two to three and there will be a slight rise in the small number of staff at Mardon's head office in Bristol. But this, says Webber, will not mean the insertion of any more layers of management—"we like to have a *fast-moving, short* communications line from top to bottom." This reflects the flexibility of approach needed by Mardon to keep up with the varied and rapidly changing needs of its customers.

The industry in which Mardon operates is a large one. Total turnover in UK packaging is around £4bn and while this is divided among many companies, Mardon has solid shares of some key sectors. It accounts for more than a fifth of the flexible packaging market and around 15 per cent of folding carton output. Its largest European company is the French Caradet Emballages; Webber describes *France as "a tough market*, highly competitive and very *fragmented*." In North America, it has operated directly, and also through Lawson and Jones of Canada, in which it has a 75 per cent stake.

Clearly, BAT does not foresee any awkward surprises coming from Mardon. "We've always been very happy, very pleased, and very intrigued by it," says Macadam about BAT's past *association with the company*. At the very least, its new investment in Mardon should prove a good deal less traumatic than some of its other excursions outside tobacco.

Rank animosity

BY MICHAEL DIXON

THE superior smiles of Rank Xerox, winners of the national *management championship* in three of the last four years, have evidently provoked animosity among entrants for the 11th annual contest to start in the new year.

Informal mutterings heard at the National Management Game's London headquarters suggest that the chance to humble the triple champions is as much a lure to some 1980 competitors as is the prize list. *This consists of £2,000* plus a seminar at Management Centre *Europe in Brussels* for the winners, £1,000 for the second team, £750 for the third, and £500 for the fourth.

One of the 460 entrants so far registered has even put its animosity on public record by adopting the team name of "Zerocks Crushers."

But there is also evidence that Rank Xerox has sensed the coming attack and prepared for an especially strong defence of its title. The company's lead*ing team for 1980 is* said to combine Neil Tomkin, last year's winner, with John Chappell and Paul Webb, who took the UK title in 1976 and a year later not only repeated their national win but also took the European management championship.

Plate

The date for the finals of the 11th championship, and of the subsidiary "Plate" competition for entrants knocked out in the first round, have still to be set. But entry lists are scheduled *to close on* December 3, and the administrators advise would-be champions to register without delay at the National Management Game, Victoria House, Southampton Row, London WC1B 4EJ; telephone 01-242 7806.

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UK NEWS

● NEWS ANALYSIS—RESALE PRICE MAINTENANCE

Discount battle simmers on after 15 years

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

TESCO'S COMPLAINT to the Office of Fair Trading that Thorn allegedly refused to supply Tesco with Ferguson audio and television equipment is the latest move in a dispute which has simmered between retailers and manufacturers for two decades.

In the early 1960s, the emergence of retailers willing to generate higher volume sales by cutting prices led to bitter legal battles, as manufacturers tried to force retailers to sell at a recommended price.

Tesco was often in the forefront of these battles and was sometimes taken to court.

Carpet-cleaner manufacturers, for example, secured a High Court order to stop Tesco selling their cleaning materials at £1 below the recommended selling price of £3 7s 6d.

Yet in 1964, when Mr. Edward Heath was responsible for *statutory abolition of resale* price maintenance, it appeared that Tesco and other retailers had won their fight. Apart from two exceptions, covering books and medicines, manufacturers could no longer insist on retailers selling at a recommended price.

However, 15 years after resale price maintenance was formally abolished many manufacturers are still fighting to dictate the prices at which their goods are sold.

Earlier, this year, for example, the Office of Fair Trading took Hotpoint, a subsidiary of the General Electric Company, to the *High Court*, to secure its agreement to supply the Comet *discount chain on* similar terms to other *customers. Comet had* complained that Hotpoint had refused to supply it with electrical appliances because of *Comet's discount trading policy.*

Policies

Similarly, the Philips Industries group was asked by the OFT last year to explain its pricing policies. This followed suggestions in the trade that retailers who sold Philips electrical appliances at below the recommended price, were having difficulty in obtaining supplies from Philips. Philips assured the OFT that it would not withhold supplies to retailers who cut prices.

It is not just electrical appliances, however, that have proved the main source of conflict between manufacturers and retailers—although the scope for cutting prices of electrical goods is greater because of *their relatively high value and* profit margins.

Retailers allege that other areas — such as cosmetics, cameras, clothes (especially men's shirts and women's underwear), sports goods, and jewellery and watches — are all subject to unofficial resale price maintenance.

The Argos discount stores chain, for example, has claimed that it has been unable to obtain Seiko digital watches from the official suppliers because it wanted to offer them at about £40 cheaper than the £138 list price. Argos, however, has found an unofficial trade supplier and its sale of Seiko watches at a discount has forced other retailers to cut prices.

Manufacturers' determination to impose a recommended price level below which retailers should not sell is not, however, adopted out of any desire that consumers should not benefit *from lower prices.* After all, lower prices, in theory, should *lead to a higher volume of sales* for manufacturers' products. *The usual objection by manufacturers* to discount selling is that their products' brand image can suffer irreparable damage through cut-price selling.

Facilities

Manufacturers argue that retailers can afford to sell at a reduced price because they offer little service facilities, either before or after purchase.

Cosmetic manufacturers, for example, believe it important that specialist sales staff help consumers buy the right cosmetic to ensure customer satisfaction.

Electrical appliance manufacturers also are concerned that discount retailers do not offer a specialist service—such as *delivery and installation in the* customer's home.

Yet there is also a more subtle reason for manufacturers' reluctance to give in on prices to discount retailers. Manufacturers fear that cut-price selling by multiple retailers *will increase* their dominance of the retail market *and, as retailers become more* powerful, they will be able to *dictate supply terms from the* manufacturers. This is what has happened in *some sectors* of the food industry, and non-food manufacturers are determined to prevent a similar situation.

Retailers who sell at a dis*count however, have long main*tained lower prices encouraging greater retail efficiency. They argue that consumers should be allowed to choose whether they want lower prices or more specialist sales service.

Beneficial

This view was shared by the recent report of the Internal *Whitehall committee on* restrictive trade practices policy. This *report says the "net outcome of* abandoning resale price maintenance has been beneficial." Apart from lower prices, the report says "there seems little doubt that the more competitive retailing environment which resulted helped to reduce internal inefficiency."

But the report acknowledges that "small independent shopkeepers and some of their customers may have suffered some disadvantages."

The report is also concerned at the problems of enforcing the legislation which prohibits resale price maintenance. The OFT is also anxious to ensure that the law is not circumvented by enterprising manufacturers, and it *intends to investigate* every complaint.

Its *problem is obtaining* sufficient evidence on which to *base its* investigation, since many retailers are reluctant to give evidence for fear of further supply problems with manufacturers. Moreover, in some cases it is groups of small retailers who are trying to stop manufacturers supplying the big discount multiple chains.

The loopholes in the law are also spelt out by the report which concludes that while the legislation does not require sub*stantial revision*, "it would be desirable to find ways of dealing with enforcement problems either by amendments to the *Resale Prices' Acts*, or as part of a wider approach to uncompetitive practices."

That wider approach is being *planned under the Government's* Competition Bill, pre*sently going through* Parliament. However, the legislation *gives no direct means of* losing the loopholes in the Resale Prices' Acts of 1964 and 1976. Unless some amendments are included at this late stage in the Competition Bill, the OFT will still face an uphill struggle to enforce the law.

The fine tuning behind Miss World's fantasy

ARTHUR SANDLES on the background to the Miss World contest, which takes places on Thursday amid the usual mixture of high emotion and hard-headed commercialism.

ON THURSDAY evening amid *singing strings, piercing* spotlights, cheering crowds and searching *television cameras* a young woman, probably not long out of school, will shed tears as she is crowned Miss World.

For her it will mean a step into the fantasy world of show business fame and perhaps fortune; for Grand Metropolitan's *Mecca subsidiary it* means an assessment of whether *some £500,000 has* been well spent; for Julia and Eric Morley, *who still* run the event, it will be a night of emotional and commercial significance; and for the 20m people in Britain who will watch the show it will be time to abuse the judges and make coffee.

As part of the settlement when Mecca and Eric Morley parted company nearly 15 months ago, the Morleys were given the contract to run Miss World for five years. The day-to-day running is in the hands of Julia.

Since the remarkably public row with Grand Met the relationship between the couple and Maxwell Joseph's hotels-to-brewing conglomerate has been surprisingly smooth. After using a Trust House Forte hotel, the Waldorf, as a headquarters for some years, the Miss World circus has now pitched camp in a *Grand Met property*, the Britannia.

The Mecca investment—which of course is reduced by substan*tial receipts for* such things as television rights and other residuals—produces "a remarkable amount of goodwill," reckons Mrs. Morley. Mecca would be hard put to it to buy the amount of television and Press space the competition produces.

Miss World is a rather different competition from its major competitor, Miss Universe. The Miss World show is a much more relaxed affair. The 70 girls involved may have chaperones — a ratio of about one to every six contestants— but they are in no way imprisoned. On Saturday, for example each *went her* separate way, some joining the hurly burly of the Oxford Street Marks and Spencers.

Much of the overt business pressure that presents itself at a Miss Universe competition is absent, which is largely due to the BBC's need to keep its screens free of brand names and ill-disguised advertising.

This year's competition, at least for the moment, *is fairly* relaxed compared with some previous years. Political battles, women's liberation *protests and* last year's internal warfare within the *Grand Met.* group have all added an edge.

Most of the headline-grabbing problems of the past have been sprung on the *Miss World* competition from without rather than *thanks to any fault* in the organisation itself, which *is under the steel* grip of the Morleys, and notably Mrs. Morley, a tall, *slender* bundle of energy and involvement who looks considerably younger than the 40 years she has just celebrated and who suffers little in comparison with the beauties who surround her.

Julia Morley is one of those baffling, contrasting personalities who combine an almost childlike enthusiasm with firm discipline. You do not cross her lightly and any visitor to the Miss World organisation comes away with the view that the whole thing would be rather different without her.

High on her list of bêtes noir are people carrying Press cards. For years, Fleet Street has been trying to find dirt in the Miss World event, and scarcely produced a speck of dust in the process. Nonetheless, the Morleys tend to get a *bad Press* and the scars show. But in the case of Miss World, *the Morleys* need the media *and* the media need Miss World.

Last year I was in the Morley bad books for coverage of the great Boardroom row. This year the main target is a tabloid journalist who referred to Mrs. Morley's rather modest fingernails as "talons."

Oddly enough, the competition has moved further and further away from commercialism over the years and deeper into charity. Vast sums are raised, mainly to aid children. In the short time that the girls are in Britain, they will assist in producing around £100,000 for the Variety Club's work among children.

"I only choose the Variety Club because *it's administrative* costs (around 6 per cent) are *so low,*" says Mrs. Morley. At a recent lunch I saw £12,000 raised by Eric Morley in auctioning presents which the girls had brought with them, usually little more than tokens.

The actual total is difficult to assess because each girl is involved in domestic charitable money-raising activities. Many of them have become caught up with a "Beauty with a Purpose" campaign, and there is a separate £1,000 prize for the contestant who has worked hardest at that—the money goes to her charity, not her.

Although there are some notable absentees in the list, the Middle East, Eastern Europe and South Africa among them, clearly the Morleys reckon that this is one international event where there is nothing but sweetness and light.

"People call this a cattle market," says Mrs. Morley. "Well, all I can say is that with all the friendliness and co-operation we have here there ought to be lots more cattle markets."

ICI fears pressure over fluorocarbons

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE Imperial Chemical Industries fears that the U.S. Environmental Protection Agency will go in for "dirty play" in an attempt to persuade the European Economic Community to ban the use of chlorofluorocarbons — CFCs — as aerosol propellants.

ICI said on Friday that the EPA was due to receive a scientific report on CFCs. The group warned that the agency was likely to use some of the predictions made in the report to exaggerate the dangers of CFCs.

The aim would be to stimulate *protest on this side of the* Atlantic and so stop the Council *of Ministers ratifying moderate* proposals to restrict the use of CFCs as aerosol propellants in Europe.

The U.S. has already introduced a near-total ban on the use of CFCs as aerosol propellants on the grounds that the chemicals are destroying the ozone layer in the earth's atmosphere.

The breaking down of the ozone layer would enable more ultra-violet rays to reach the earth's surface and this in turn could lead to a *higher incidence* of skin cancer in human beings.

The European Community is proposing to make a 30 per cent cut in the use of CFCs as aerosol propellants by the end of 1981. It is also planning to ban any increase in European *CFC production capacity.*

It does not believe that the present evidence of the dangers of CFCs is strong enough to justify more stringent moves.

ICI claims the issue has become a political matter and the agency would find this task far easier if it could point to a ban on CFC aerosol propellants in Europe.

ICI, who accounts for well over 50 per cent of CFC production in the UK, says: ICI is not happy with the present European proposals because we do not think the case against CFCs — notably CFCs 11 and 12 — has been proved by any means. On the other hand we do find the Commission's proposals acceptable.

"But if Europe were to ban the use of CFCs as aerosol propellants altogether, the cost in money terms would be vast and there would be tens of thousands of redundancies."

The scientific report sent to the EPA has been drawn up by the U.S. National Academy of Sciences panel on atmospheric chemistry.

ICI, one of the eight CFC producers in the EEC, said outline details of the report had been released a month ago. The panel had used a theoretical model, but this model appeared to have left out a number of factors including the possible effect of carbon dioxide from burned fuels collecting over the earth's surface, creating a "greenhouse" effect and so speeding up the natural creation of ozone in the higher atmosphere.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● QUALITY CONTROL

In pursuit of an ideal

A BRITISH Standard which, if applied, could help provide the UK *with a new reputation for* quality in industry, has just been published.

It draws upon the largely untapped experience of the country's major users of quality management systems.

It does not make reference to any specific product or industry; 7,000 other standards do that. But it presents practical requirements of quality assurance which are fundamental in a form so concise that it could (in fact, should) be used as the yardstick against which a company's capability of undertaking a contract is assessed.

"Quality," for an organisation *working to BS 5750 Quality* systems, will not mean just the assiduous correction of defects and failures, but a practical *discipline which integrates* objectives towards this ideal throughout the industrial process, from design to marketing and servicing.

BSI has been tackling quality systems for some time by formalising terminology and recommending systematic procedures, wherever possible. Guides to the operation and evaluation of assurance systems based on the comprehensive quality control requirements of Nato and the Ministry of *Defence were published* in 1972 and 1974.

Experience gained by industry in applying such recommendations has enabled them to be transformed into requirements.

BS 5750 is the result, presenting the requirements in three easily assimilated documents.

Three basic levels of system *are specified for the assurance* of quality of products or services, or both. These are given in three parts of the standard. They cover subjects such as the organisation, review and planning of the quality system; the necessary control of various functions and products, the records and documentation required to demonstrate that controls are effective and the training that may be needed to operate the system effectively.

The new standard can be used in a number of ways. It may form the basis for evaluating a supplier's quality management system or be invoked in a contract to specify appropriate quality assurance requirements. It may also be used in other documents, such as product standards, where reference to a quality management system is appropriate.

The year now ending has been something of a quality and reliability hurdle for BSI. In recent months the work carried out *under the direction of* its quality, management and statistics committee has coalesced into several new standards. They herald the transformation of practice in quality and reliability from a combination of subjective values and extempore adjustments into a body of disciplined and properly integrated requirements.

This radical transformation will have to take place if the high variability in UK quality, which is now so common, is to be brought under control.

It has been suggested that quality and reliability are critical factors which are absent from most costing and economic evaluation systems and this is due, no doubt, to the fact that they demand technical rather than just financial competence.

Rapid evolution of Japanese industry, for example, from an era in which it was known chiefly for the supply of inexpensive curiosities to its present leading position, is largely due to systematic quality control procedures.

Japan produces highly reliable *and sophisticated technical* products, is a leader in quality control and has proved that striving for quality results in savings rather than increases in overall costs—increases in market share and profits for the supplier and lower life cycle costs for the consumer.

BS 5750 Parts 1, 2 and 3, from BSI Sales Department, 101 Pentonville Road, London N1 9ND. 01-629 9000.

● TRANSPORT

Trailers and and trucks

TWO NEW trailers manufactured by Craven Tasker of Cumbernauld, Glasgow, are being unveiled at the Scottish Motor Show which remains open until November 17.

One of the vehicles is a 40 feet long curtain-sider semi-trailer. And the other is a low loader which has been designed for carrying large construction equipment.

The latter with a gross weight of 66 tonnes has a sloping swan neck which enables the nose of most large scrapers to clear the front bridge without any need for blocking up. This development is also available on trailers with gross weights of up to 32 tonnes.

Also making its debut at the Scottish Motor Show will be the first right hand drive model from the new "MT" range of *6-9* ton commercial vehicles developed jointly by M.A.N. and VW.

● CONSTRUCTION

Walls kept warm

NEW WALL lining system which allows the construction of external walls with high standards of thermal insulation to be approached in a new way has been introduced by British Gypsum, 15 Marylebone Road, London NW1 (01-486 1281).

Gyproc is a dry system consisting of two thicknesses of 19 mm gypsum plank bonded together on site to form a 42 mm thick internal wall.

Because the laminated wall is completely independent of the external wall construction, says *the company, any width of* cavity can be created in which to locate insulation material.

Potential use is mainly for buildings which permit the use of single-leaf brick or block construction for the exterior walls.

Useful farm buildings

DESIGNED PRIMARILY for mushroom production is a new idea in farm buildings which could also accommodate pig production, broiler units and overnighting of cattle and sheep announces Polybuild, Alresford, Hants.

Based on a galvanised steel framework covered with layers of specially insulated polythene and glass fibre, they are said to *cost* only about a third of the price of traditional farm buildings.

Main feature of the design which makes it suitable for intensive production is the roofing—this consists of a series of polythene sheets and netting between which a 4-inch glass fibre matting is inserted to give a high degree of insulation.

Special aluminium protection coating covers the outer cladding to enhance weather resistance and reflect heat in the summer months.

● IN THE OFFICE

Typewriter speaks the words

AN IMPORTANT aid to the blind or visually impaired typist has been developed by *IBM in which up to three* pages of material can be typed, held by the machine's memory and then converted into synthesised speech for playback over headphones or loudspeaker.

What is more, the user is *kept informed by means* of up to 200 short synthesised speech messages of the physical status of the machine and the typed material — where the carriage is, what line (by number) is being typed and many other items the sighted person routinely perceives.

Thus, as the typist proceeds with audio typing from a dictation machine, the material is fed into the memory and afterwards can be reviewed and proofread acoustically, remov*ing the need for the customary* sighted assistance.

Material can be reviewed line by line with punctuation *(the machine utters "comma"* etc), word by word and even letter by letter in which case the machine speaks each character *as a human would*, says "space" when one occurs, and also vocalises capital letters and the punctuation.

The machine works by storing all the necessary speech sounds (English or U.S. English) together with a large but undisclosed number of associative pronounciation rules. Each word is examined very quickly *as it comes in coded form from* the keyboard, the rules applied and the necessary sounds extracted from solid state digital store. They are then strung together with a degree of blending to produce a reasonably human-sounding voice which, although it is a little Dalek-like, is quite easy to understand.

Apart from the difficulties that arise in reading and correction of copy for the blind, the machine also overcomes the problem of telephone or other interruptions to work flow: when the typist returns to the machine it will tell her exactly how far *she has got* with the text, to the line and character.

The system, known as the IBM Audio Typing Unit, makes use *of a microprocessor* with 44,000 bytes of memory which includes a control program with 16k bytes of read-only store and *4k bytes of* random access, the remainder being read-only and devoted to the language program.

The floorstanding audio manipulation unit can be used in conjunction with the company's *Mag Card/A* typewriter, the Mag Card II typewriter and the memory typewriters (in which case the normal storage *dial for the location of material* is replaced with a raised dot dial.

Use by sighted typists is not of course precluded. The audio unit is turned off and the equipment then functions normally.

The cost of adding the synthetic speech facilities to the typewriters mentioned above will, says IBM, be 20 to 25 per cent more than the normal machine. First deliveries are expected to be in June/July of next year.

More from Office Products Division, IBM United Kingdom, 28 The Quadrant, Richmond, Surrey TW9 1BW (01-940 9545).

GEOFFREY CHARLISH

● DATA PROCESSING

Will ensure high reliability

THREE powerful central processors working together under an advanced operating system give the Tri-Novum combination from Computer Applica*tions Research (CAR) some* interesting advantages compared with an equivalent large machine.

CAR is using Nova or Eclipse computers together with the IOS operating system running on Fortran, the IRIS Basic operating system and the MIIS data-base handler. There is a *wealth of applications programs.*

Design is conservative, both on the electronic and thermal fronts, and the support pro*gramme provides for replace*ment of any defective units within 24 hours.

There is a wealth of applications *software* for business and management routines and the equipment, which will happily run from 15 to 25 terminals is suitable for shared use.

Basic price for a system with 10 Megabytes of memory is £10,000.

CAR suggests—apart from standard commercial routines *from order processing to pay*roll—word processing, financial modelling, simulation and linear programming.

Further details from CAR Business Systems, 71 Hammersmith Road, London W14. 01-602 4451.

Keeps control of the entrances

CARDKEY Systems of Reading *has a new medium-range access* control array.

It is the first to be produced by the company in the UK, on-site at a new 15,000 sq ft factory on the Stadium Way trading estate in Reading.

Cardkey's parent is the American VSI engineering group which owns Cardkey Systems of Chatsworth, California, USA.

The 790E access control system is a desktop unit served by card readers located at entrances, and alarm monitoring terminals. These relay information to the 790's central controller for evaluation.

The central controller grants *or denies access based on card* data and the specific access control parameters programmed into it. The use of invalid cards and abnormal environmental conditions, produce an alarm which is signalled audibly and via printout from the central controller. The digital display indicates all activity and allows rapid and accurate card authorisation changes to be made.

The console contains the central controller, and has a digital display, programming keys, and printer. The *system* has a 500 card memory, which can be increased to 2,500, capacity to handle 16 card reader points, and 32 access levels. It *can accept bulk or single*-card loading, and has time zones for card users. There is also manual or automatic terminal override, listing capability, programmable lock-out, and print data selection.

One person can easily operate the central controller console. Parameters of access levels/time zones can be changed and blocks of cards or single cards can be changed without recalling cards or alerting card holders.

Cardkey is at 23 Stadium Way, Reading, Berks. RG3 6EK. 0734 415211.

Speeds preparation of tapes

PYE BORDERS has won sole *rights from Wire-Graphics of* New York to market in the United Kingdom, a new com*puter system*, the Pen-entry 4000, which has been specially designed to speed the preparation of tapes for automatic wiring machines.

Recently introduced to the U.S. market, it represents a totally new approach to solving problems encountered in the preparation of data for wire wrapping or termination equipment. The system automates the entire data entry, revision and documentation control process, using computer graphics.

It uses an interactive display of circuit board pin locations *and a light-pen for indicating* the desired wire connections between pins. The operator simply displays the pins of sockets, *headers* or universal strips and, referring to the original schematic, makes the required wire connection with the pen. The Pen-entry 4000 processes this information and not only produces the paper tape for driving automatic wire wrapping equipment, but also produces all documentation including wire lists and part lists. It thus eliminates hand-generation of "to-from" lists; key punching and verification of wire connection data; outside computer costs and delays.

The complete system consists of a minicomputer with 48,000 bytes of memory, dual floppy discs, interactive 15 in CRT display, light-pen, high-speed type punch and a 150 cps printer

Pye Borders Electronics, Pinnacle Hill Industrial Estate, Kelso, Roxburghshire TD5 8DW. Kelso 2178.

● SAFETY

Long life emergency lighting

SINGLE POINT emergency lighting *systems* from Carters of Burnley use an inverter providing a 20 to 30 kHz to feed a cold cathode tube rather than the more conventional fluorescent lamp.

Main *advantage* claimed is a lamp life measured in years rather than months, better and more even illumination, higher reliability and reduced maintenance.

The units can be used in maintained *form* for regular night or security lighting in hotels, retail and similar premises. A link converts from *maintained to non-maintained* use, but if this is replaced with a remote switch the units can be used temporarily in maintained form *in* dance halls, theatres and similar places without affecting the normal emergency functions.

In the event of mains failure the units are switched over automatically to an integral six volt 4.5 amp hour sealed lead acid battery. Charging takes place whenever the mains are healthy, indicated by a red neon light.

Sycamore Avenue, Burnley, BB12 6QR (0282 27911).

● INSTRUMENTS

Gives good service

GOULD Advance OS3600 is the company's first oscilloscope to go through the 100 MHz bandwidth barrier.

It can withstand exacting environments, particularly in field service applications. The new instrument is also available with an optional digital measuring system for analogue and digital applications.

Dual-channel, with a maximum sensitivity of 2mV/cm, it gives full 100MHz bandwidth from 5mV/cm.

The tube provides high writing speeds with 16kV overall accelerating potential and bright, clear traces at sweep *speeds down to 5ns/cm. Signals of low repetition rate and short* transition times can be viewed with relative ease.

Gould Instruments, Roebuck Road, Hainault, Essex 1G6 3UE. 01-500 1000.

LOMBARD

Productivity no basis for pay

BY SAMUEL BRITTAN

"PAY MUST be related to productivity. There is no objection to large pay increases so long as they are *accompanied* by greater efficiency and more output per man." Sentiments like these must have been repeated hundreds of times by Ministers.

These statements may sound trite and obvious. In fact they are wrong and would cause much mischief if widely followed. The idea that the size of pay increases that can be afforded without worsening unemployment or inflation depends on productivity is roughly true at the national level; but the transfer of this idea to plant or industry bargaining is based on a misunderstanding, although a well-intended one.

The underlying thought is that we should move away from a national norm to a more varied pattern *of settlements reflecting* the circumstances of particular concerns. This is correct, but productivity is not the right basis for determining relativities. In a free market the basis for relativity changes is not productivity in a particular plant, but the supply *and demand for* the kind of worker concerned. If truck drivers are in greater demand relative to clerks, they will get larger wage increases, *irrespective of the reason* for this greater demand. Even in a monopolistic market, this tendency *will assert itself via* bonuses, overtime, shift-payments, perks and all the other ways in which negotiated wages are drawn nearer market realities.

Commission

Not only is there a tendency, however imperfect, for relative wages to reflect supply and demand, but it is highly desirable that they should do so. For such relative wages shifts provide the cash carrot to persuade workers to move to sectors of labour shortage and away from areas where redundancies would otherwise threaten. Even *the Department* of Employment shows a few faint signs of recognition of this in its new evidence to the Clegg Commission which emphasises that "evidence on labour supply should be used to check the acceptability of the comparisons that emerge" between *pay in the* public services investigated and other activities.

"Comparability" is something *that* in fact tends to emerge through market pressures. Indeed it was called by Adam Smith the principle of "equality of net advantages." *This states that* pay, hours and conditions tend to move in such a way as to equalise the net advantages of different occupations to which people of comparable abilities, education and opportunities can go.

The trouble with "comparability" as a pay settlement technique is not only that the *normal comparisons* take inadequate account of factors such as job security as the Government complains in its Clegg evidence. More fundamentally, comparability is the end result of market adjustments, after workers have already moved *from contracting* to expanding sectors in response to differentials. To impose it at the beginning is to risk slowing down the adjustment process and intensifying the present combination of labour shortages side by side with high *unemployment.*

Dangers

Pay rises less than productivity, *so far from being unjust,* are the process by which the fruits of technical advance are spread throughout the population.

Basing pay on productivity, at anything less than the national level, has two great dangers. If *workers in sectors where* productivity cannot rise so much accept the result, this will move wages further from market clearing levels and intensify the present combination of labour shortages and unemployment. If, on the other hand, trade unionists at the losing end refuse to accept the result and push for catch-up pay increases, the net effect will be a faster rate of nationwide wage increases than otherwise would be expected. This would present the Government even *more* acutely than at present with the dilemma of whether to finance pay increases through the monetary system and allow inflation to take off, or refuse to finance them and aggravate unemployment by another route. Thus, seemingly obvious ideas can be *bad* as well as boring.

Trade union law fails to promote harmony

EVERYONE WANTS justice for the trade unions. Some think that the unions are at present beyond the reach of the law and ought to be put in their proper place. Others think that the courts interfere excessively with *legitimate union activities* and that the unions' legal protection must be strengthened.

No wonder that the history of the law of industrial relations in this country can be summarised accurately, to quote out of context *the words of Lord Scarman,* as "a legal point counter-point which has been more productive of excitement than of harmony."

What is the correct explanation *of this forensic polyphony?* The failure of the legislature to grant rights to or impose duties on trade unions and their officials? Would a comprehensive code of rights, duties, powers and responsibilities remove the jealousy which the current *immunity of the unions* and their officials seems to arouse?

The basis of this immunity is contained in the words "acts done in contemplation of furtherance of trade disputes," a phrase which has been described *by Lord Wedderburn as* "the golden formula."

The trouble with the golden formula is that it can be so easily tarnished by drawing fine verbal distinctions.

In one case, Lord Denning said that the words "in furtherance of" must be given a narrower interpretation than the phrases "in connection with" or "in consequence of". Acts in *practical support* were in furtherance of a dispute; acts in moral support were not. If an act was unlikely to have any practical effect on a trade dispute, it was not in furtherance of that dispute.

Elsewhere, Lord Denning has suggested that the officers of a trade union might take themselves out of their statutory immunity if they made demands which were wholly extortionate or utterly unreasonable or quite impossible to fulfil—and then took industrial action to enforce those demands.

According to him, if this argument were accepted, it *would go some way to restrain* the abuse or misuse of power by a trade union.

Recently, in *N.W.L. Ltd. v. Nelson and Another*, the House of Lords came to a different conclusion.

This case arose out of *attempts* by officials of the International Transport Workers' Federation to persuade port workers *in* England and elsewhere to "black" a ship as a target of its campaign against flags of convenience.

The essence of the ITF's demands was that the crew employed on the ship should be employed at ITF rates of wages *under articles in ITF standard* terms.

The crew itself, engaged in Hong Kong, were content with their existing articles, which provided for lower wages than those demanded by European, North American and Australasian seamen.

In his speech in the case, Lord Diplock said that "if a demand on an employer by a union is about terms and conditions of employment, the fact that it appears *to the court* to be unreasonable because of compliance with it is so difficult as to be commercially impracticable or will bankrupt the employer or drive him out of business does not prevent its being a dispute connected with terms and conditions of employment," and, therefore, a trade dispute.

He also said that "neither . . . does it matter that the demand is made and the dispute pursued with more than one object in mind and that of those objects the predominant one is not the improvement of the terms and conditions of employment of those workers to whom the demand relates.

"Even if the predominant object were to bring down the *fabric* of the present economic system by raising wages to unrealistic levels, or to drive Asian seamen from the seas except when they serve in ships beneficially owned by nationals of their own countries, this would not . . . make it any less a dispute connected with terms and *conditions* of employment and thus a trade dispute, if the actual demand that is resisted by the employer is as to the terms and conditions on which *his workers* are to be employed.

"The threat of industrial action if the demand is not met is nonetheless an act done in furtherance of that trade dispute."

The narrow dividing line between disputes within and disputes outside the scope of the statutory immunity is illustrated by the case of *BBC v. Hearn*, in which officials of the Association of Broadcasting Staff threatened that their members would refuse to allow the BBC to televise the Cup Final live in such a way that it could be seen by viewers in South Africa.

An objection to apartheid was in no way *connected with* terms or conditions of employment or any of the other matters specified in section 29 (1) of the Trade Union and Labour Relations Act 1974.

The threatened industrial action was therefore neither in contemplation *nor in furtherance* of a trade dispute. It was stigmatised by Lord Denning as "coercive interference and nothing more."

But what if the union had asked the BBC to change its members' contracts of employment by adding a term under which they would not be bound to take part in the transmission of sporting events to South Africa? Industrial action to support this demand would have been arguably in *contemplation* or furtherance of a dispute connected with terms of employment.

The form rather than the substance of or motive *behind* a demand or dispute determines whether *any* subsequent industrial action or threat of industrial action comes within the scope of the statutory immunity.

Should the legal consequences of industrial relations depend on such a distinction? Future decisions may reveal a different approach. Otherwise there *is* a risk that in the world of commerce the Union Jack will be unfurled as a flag of the utmost inconvenience.

In the *NWL* case, Lord Diplock mentioned the "practical realities" of this type of litigation: "(1) that the real dispute is not between the employer and the nominal defendant but between the employer and the trade union . . . threatening industrial action; (2) that the threat . . . is being used as a bargaining counter in negotiations either existing or anticipated to obtain agreement to do whatever . . . the union requires of him; (3) that . . . industrial action . . . can be promoted effectively *only* so long as it is possible to strike while the iron is hot; (4) that the grant or refusal of an interlocutory application generally disposes finally of the action."

Counsel for the union officials had argued that once it appeared to a judge that the *defence of statutory immunity* was more likely to succeed than not, this was an overriding factor against granting an interlocutory or pre-trial injunction.

Section 17 of the Trade Union and Labour Relations Act 1974 specifically mentions this factor as a matter to which the court in exercising its discretion whether or not to grant the injunction shall have regard.

Lord Diplock rejected this argument but said that judges would be respecting the intention of Parliament if in the normal way the injunction were refused in cases where the defendant had shown that it was *more likely than not* that he would succeed in his defence of statutory immunity.

However there might be cases where the consequences to *the employer or to third parties* or the public "and perhaps the nation itself" might be so disastrous that the injunction ought to be refused unless there was a high degree of probability that the defence would succeed.

The difficulties *of this type of* litigation seem endless. No one need be surprised that some people prefer to leave these disputes to the good sense of *the parties.* If only the parties could ever be relied on to display good sense!

THE WEEK IN THE COURTS

BY JUSTINIAN

Barry beats weight problem

THE FOREGOING of a party by Ron Barry for an early night with no supper was probably the *decisive factor in the result of* Saturday's Mackeson Gold Cup at Cheltenham.

Barry, who could ride at 10 st 6 lb until recently, has had *weight problems since the close* of last season and feared he might have to put up a pound or two overweight on Man Alive until the morning of the race.

As it was, he made the 10 st 9 lb on the Gordon Richard's raider and, furthermore, showed no signs of weakness, riding a typically power-packed finish.

Man Alive, the sole grey in an 11-runner line-up, robbed of Roadhead's presence at the 11th hour, was always travelling smoothly, but in no way gave the former champion an easy ride.

Often jumping awkwardly to the right (and none too surefooted as a result on one or two of his landings) he looked, momentarily, like being beaten for speed after the penultimate fence.

As it was Man Alive found just enough on the energy sapping climb to the finish to beat his older rival—the pair never having been threatened by the third placed Roller Coaster.

Although the Mackeson provided yet another reminder that Ron Barry is still one of the ablest jockeys in the country, those who consider him a leading contender for the championship are, in my opinion, being totally unrealistic.

The two-times champion who returned a remarkable 28.60 percentage of winners when achieving a then record haul of 125 winners in the 1972-73 season will, in the coming months, find himself with inadequate fire power to compete with such men *as O'Neill and Carmody.*

At present Barry lies second in the table with 23 winners, seven behind Jonjo O'Neill.

O'Neill, for whom Night Nurse was never going well in the Mackeson, proved his uncanny ability for picking up *worthwhile "spares" when bringing* home Greenways (a last-minute booking) at 14-1 on the same card.

The current champion, John Francome, is still as low as 7-4 with one leading layer but I think it is fair to say that 7-1 would be a more realistic price.

RACING

BY DOMINIC WIGAN

NOTTINGHAM

1.45—Balteus*
2.45—Gleason
3.15—Staccato***
3.45—Ballyfin Lake**

TV Radio

BBC 1

9.00 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 *Fingerbobs.* 2.01 *For Schools,* Colleges. 3.15 Songs of Praise. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Wally Gator. 4.25 Jackanory. 4.40 Battle of the Planets. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Paddington.

5.40 News
5.55 Nationwide (London, *South East only*)
6.20 Nationwide
6.55 Angels
7.20 The Rockford Files
8.10 Panorama investigates Senator Teddy Kennedy's style and political record
9.00 News
9.25 Pearl
11.00 The Lord Mayor's Banquet
11.35 News *Headlines*
11.37 Roadshow Disco
12.02 Weather, Regional News

All Regions as BBC-1 except at the following times:—

Scotland—11.00-11.20 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 12.02 *am News and* Weather for Scotland.

Wales — 10.38-10.58 am I Ysgolion. 1.45-2.00 pm Pili Pala. 5.55-6.20 Wales Today. 6.55 Heddiw. 7.15 Angels. 7.40-8.10 Are You Being Served? 12.02 am News and Weather for Wales.

Northern Ireland — 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.02 am *Weather* 12.04 *Festival Notebook* from Belfast. 12.24 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth)

BBC 2

10.05 am The Role of the Nurse
10.30 Working for Safety
11.00 Play School (As BBC-1 3.55 pm)
2.05 pm Roadshow Info
2.15 Let's Go
2.30 Multi-racial Britain
3.00 Making Toys
3.30 Design by Five
4.00 Use Your Head
†5.40 Flash Gordon's Trip to Mars
6.00 Animation at Cambridge
6.15 Grange Hill
6.40 A Diary of Britain
7.20 Mid-Evening News including sub-titles
7.30 The Magic of Dance
8.30 Porridge
9.00 Butterflies
9.30 Horizon
10.20 Humphrey Lyttelton and his Band play Rhythm *on 2*
10.50 Children Who Crossed the Seven Seas
11.30 Late News
11.45 Closedown, reading.

LONDON

9.30 am Schools Programmes. *12.00 Jamie and the Magic Torch.* 12.10 pm Stepping Stones. 12.30 Emmerdale Farm. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 All About Toddlers. 2.00 Heart to Heart. 2.30 Monday Matinee: The Ambushers. 4.15 Clapperboard. 4.45 Why Can't I Go Home. 5.15 Batman.

5.45 News
6.00 Thames News
6.35 Crossroads
7.00 Give Us a Clue
7.30 Coronation Street
8.00 Only When I Laugh
8.30 Mighty Micro
9.00 Minder
10.00 News
10.30 Monday Night *Premiere:* "The Love Machine"
12.30 am Close: Personal choice with Sydney *Tafler.*

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.30 Monday *Film Matinee: "Death Be Not Proud."* 5.15 Cabbages and Kings. 6.00 About Anglia. 10.30 *Brian* Connell Interviews. 11.00 SWAT. 12.00 Reflections.

BORDER

1.20 pm Border News. 2.30 Matinee: *"Left, Right and Centre."* 5.15 Cabbages and Kings. 6.00 Lookaround Monday. 6.15 The Sound of . . . The Settlers. 10.30 *Late Film: "The Wicker Man."* 12.15 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 2.30 The Monday Matinee: "Woman's World." 5.15 *Cabbages and Kings.* 6.00 Channel News. 6.10 Link Up. 10.28 Channel Late News. 10.32 Family. 11.30 News and Weather in French.

GRAMPIAN

9.20 am First Thing. 1.20 pm Grampian *News Headlines.* 12.30 Monday Matinee: "They Were Sisters," starring Phyllis Calvert and James Mason. 5.15 *Winner Takes All.* 6.00 *Grampian* Today. 6.05 Top Club. 10.30 Reflections. 10.35 The Monday Movie: "The Buttercup Chain," starring Hywell Bennett. 12.15 am Grampian Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 2.30 Monday Matinee: "Love is a Many Splendoured Thing," starring *William* Holden and Jenifer Jones. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Happy Days. *10.30 Reports Politics.* 11.00 Mystery Movie: McMillan.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.30 The Monday Matinee: "Violent Saturday." starring Victor Mature. 5.15 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 6.25 Report Wales. 10.35 The Monday Film: Columbo.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau *Newyddion Y Dydd.* 2.00-2.30 Hamdden. 6.00-6.25 Y Dydd. 8.30-9.00 Yr Wythnos.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.00-7.00 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 2.30 Monday Matinee: "Now *You See It, Now You Don't,*" starring Jonathan Winters and Luciana Paluzzi. 5.15 Tales of Crime—Billy Knox. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Crimedesk. 6.45 The Sounds of . . . Marian Montgomery. 10.35 Late Call. 10.40 From the Top. 11.05 Tropic. 11.35 Pro-Celebrity Snooker.

SOUTHERN

1.20 pm Southern News. †2.30 Monday Matinee: "The Bedford Incident," starring Richard Widmark. 5.15 Dick *Tracy Cartoon.* 5.20 *Crossroads.* 6.00 Day By Day including Southsport. 10.30 "Code Name Diamond Head," starring Ian McShane. 12.00 Farm Progress.

TYNE TEES

9.20 am The Good Word followed by North *East News Headlines.* 1.20 pm North East News and Lookaround. 2.30 Monday Matinee: "The Greengage Summer." 5.15 *Mork and Mindy.* 6.00 Northern Life. 10.35 Northern Report. 11.05 Monday Movie: "The Deadly Game." 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 2.30 Monday *Matinee: "Campbell's Kingdom,"* starring Dirk Bogarde, Stanley Baker and Barbara Murray. 4.13 Ulster News Headlines. 5.15 Cartoon. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.30 Pilgrimage. 11.00 Monday Movie: "Emily, Emily." 12.20 am Bedtime.

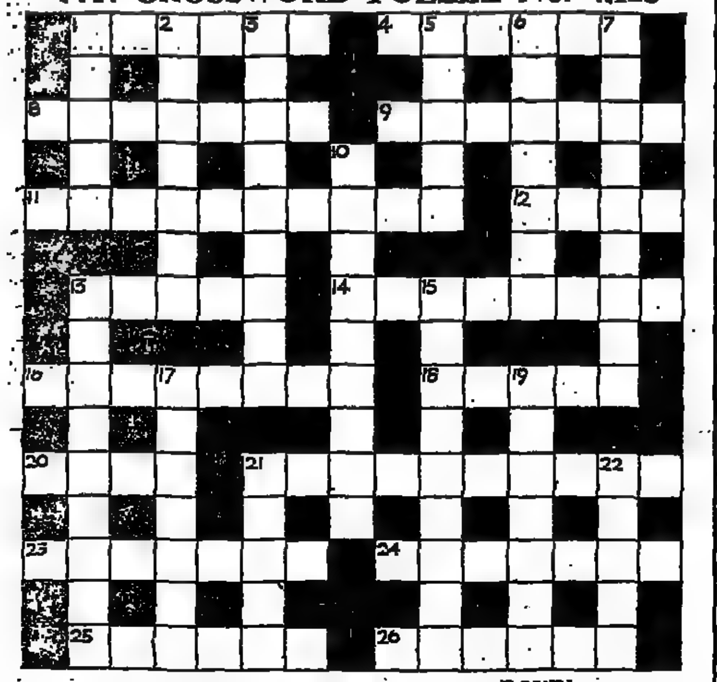
WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 The Monday Matinee: "Woman's World," starring Clifton Webb and June Allyson. 5.15 Cabbages and Kings. 6.00 Westward Diary and Sports Desk. 10.32 Westward Late News. 10.36 The Family. 11.30 Faith For Life. 11.35 West Country *Weather, Shipping Forecast.*

YORKSHIRE

1.20 pm Calendar News. 12.30 Monday Matinee: "The Bedford Incident," starring Richard Widmark, Sidney *Poitier and Donald Sutherland.* 5.15 Father Dear Father. 6.00 Calendar (Emley Moor and Belmont editions). 10.30 Pro-Celebrity Snooker. 11.15 The Do-Gooders. 12.00 Barney Miller.

F.T. CROSSWORD PUZZLE No. 4,123



ACROSS

1 Comparatively applied to the female (6)
4 In addition we have a bigwig (2, 4)
8 Opposed to the governor in the street (7)
9 Singular vegetable on the Walrus's agenda (7)
11 Novel title for master in Somerset town (4, 6)
12 Got up as a flower girl (4)
13 Surprise for no one in Vietnam (5)
14 Previous exam in symphonic composition (8)
16 Stay with mother and say you are *ill* (8)
18 Send a ropy message? (5)
20 Party *unpopular* with Women's Lib (4)
21 Yokels have a meal in country mansion (6, 4)
23 Difficulties characteristic in a ship (7)
24 Fruit intended, we hear, as an invention (7)
25 Direction at the final curtain (6)
26 Old airline takes numbers to the festivities (6)

DOWN

1 Am up to follow the doctrine (5)
2 They dance under its bridge (7)
3 "Die, my dear doctor, that's the —— I shall do" (Palmerston) (4, 5)
5 Black causes fighting in the street (5)
6 Doctor from the East on ship finds prohibition (7)
7 Tallies e.g. with what Solon had to do (9)
10 To gain time, get up with speed (9)
13 Cap-à-pie in our mother *tongue* (4, 2, 3)
15 Cheap sale of damaged cars if on ice (9)
17 It is no good in one angry to be thankless (7)
19 *We hope he wins,* but he doesn't get the girl (4, 3)
21 No sailor gets up to give damaging information (3, 2)
22 Relatives need an assistant to be shy (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC *Radio London:* 1458kHz 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92.95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, *261m & 97.3vhf*

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Stayin' Alive. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony *Brandon (S).* 7.32 *Terry Wogan (S).* 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music. 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.45 Sports Desk. 7.02 Music from the Movies (S). 7.30 Alan Dell with The Dance Band Days and at 8.02 The Big Band Sound (S). 9.02 Humphrey Lyttelton with The *Best of* Jazz (S). 9.55 Sports Desk. 10.02 Town and Country Quiz. 10.30 Star Sound. *11.02 Brian Matthew with Round Mid*night, including 12.00 News. 2.02-5.00 am You and the Night and the Music with Patrick Lunt (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture Concert, part 1 (S). 8.00 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Jean-Philippe Rameau (S). 10.00 Singer's Choice. 10.30 Haydn and Weber piano recital (S). 11.15 Choral and Orchestral Music Concert, part 1 (S). 12.05 pm Interval Reading. 12.10 Concert, part 2. 1.00 News. 1.05 BBC Lunchtime Concert *(S). 2.0 Matinee Musicale* (S). 3.00 Music for Organ (S). 3.35 New Records (S). 5.25 Homeward Bound (S) including *5.45-5.50 News.* 6.15 At Home (S). 7.10 Pierre Fournier cello recital (S). 7.45 A Dangerous Imbalance. The Soviet arms buildup (talk by Laurence Martin). 8.30 "An Actor's Revenge," opera in two acts by Minoru Miki (S), including 9.50-10.00 Interval Reading. 11.25 Jazz in Britain (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Week. 6.25 Shipping Forecast. 6.30 *Today, including* 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 *The Week on 4.* 8.45 John Ebdon with the BBC Sound Archives. 9.00 News. 9.05 Start the Week with Richard Baker. 10.00 News. 10.05 Money Box. 10.30 Daily Service. 10.45 Prester John. 11.00 News. 11.05 We Can't Go On Meeting Like This. *11.50 Let's Get Rid Of . . .* 12.00 News. 12.02 pm You and Yours. 12.27 Top of the Form. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.45 Short Story. 5.00 PM News magazine. 5.50 *Shipping Forecast.* 5.55 *Weather;* programme news. 6.00 News. 6.30 Three-Piece Sweet (S). 7.00 News. 7.05 The Archers. 7.20 Science Now. 7.45 The Monday Play (S). 9.00 Kilvert in Season. 9.15 The Lord Mayor's Banquet from the Guildhall. 9.59 *Weather.* *10.00* The World Tonight. 10.30 The News Quiz (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 *Showcase.* 4.30 *London News Desk.* 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from *the* House of Commons. 9.00-5.00 am Join Radio 2.

London Broadcasting

5.00 am AM with Bob Holness and Doug Cameron. 10.00 The Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's *3 o'clock Call.* 4.00 LBC Reports. 8.00 After Eight Special. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am *Night* Extra. 4.00 *Monty at* Large. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.0 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott *(S).* *7.00 London Today (S).* 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't *Like It (S).* 11.00 Tony Myatt's Late Show (S). 2.00 am Peter Young's Night

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. CC. 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Tonight & Fri 7.30: The Turn of the Screw. Tues 7.00: Aida. Wed 7.00: [illegible]

DRURY LANE. CC. S. 01-836 8108. Evs. 8. Mats. Wed. 3. Sat. 5.45, 8.45. THE FAMILY SHOW is "back where it belongs" at DRURY LANE. "If you haven't seen CAROL CHANNING you haven't seen HELLO DOLLY." Daily Mail. Also starring EDDIE BRACKEN. "Funny and intelligent." F. Times. HELLO DOLLY. "A DREAM COME TRUE." F. Times. HELLO DOLLY. [illegible]

PHOENIX THEATRE. CC. 01-836 2294. Evs. 8.00. Wed. 3.00. Sat. 5.00 and 8.30. SUSAN HAMPSHIRE, PATRICK MOWER. 2nd YEAR OF TOM STOPPARD'S NIGHT AND DAY. Directed by Peter Wood. BEST PLAY OF THE YEAR. Evening Standard Drama Award.

PRINCE EDWARD. CC. 01-437 6877. Evenings 8.00. Mats. Thurs. and Sat. at 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. [illegible]

[illegible]

THE ARTS

Cheltenham Festival

Not in front of the colonel

by ALAN FORREST

Cheltenham's 30th Festival of Literature ended with *Second-Hand Rose* belted out by a blonde torch singer with a dramatic bust. Some members of the old guard made an excuse and left even though flesh and wine was still available at the Town Hall bar.

This was not the first of the few things that upset Cheltenham's colonels and their ladies. Allen Ginsberg and his poet colleague, Peter Orlovsky, had previously given the Town Hall audience a nicely rude message from the "beat" generation, although the four-letter words were appreciated by the handful of girls from Cheltenham Ladies' College, allowed out in the cause of literature.

It was the second festival directed by Anthony Smith. He tells me it will be his last for the time being—he wants more time for writing. Mr. Smith has certainly left his mark on Cheltenham. This year the usually week-long feast was telescoped into four days and held under one roof, the Town Hall, with continuous happenings. It worked. The result is a kind of literary workshop, open 12 hours and licensed for the sale of alcohol.

Ticket sales were better than anybody expected. Two hundred people packed in at 12 noon on a Sunday to hear Selma James, the American feminist writer, talking about "Ms. Jane Austen," that most subversive of novelists. Ms. Austen was apparently warning the British ruling class that it might go the same way as the French if it insisted on Elizabeth Bennet marrying Mr. Collins. It was all very injoyable, and judging by the 75 per cent female content of the audience, many Cheltenham lunches on Sunday were spoiled.

At least 50 people had to be turned away from a Sunday 4 p.m. reading of World War One poetry by Jon Silkin and Frances Horowitz. This was the story from the start—a clamour for seats and a captive audience in the Town Hall pausing only for tea and cucumber sandwiches before being whipped off to another appointment with poets and novelists.

In the past the festival has begun with a literary lollipop, usually from Royal Shakespeare Company actors. This time the lollipop was Conor Cruise O'Brien delivering The Cheltenham Lecture on religion, politics and writing. It was beautifully done—Dr. O'Brien ranging through Greece and Rome, the English, French, American and Russian revolutions in the space of 90 minutes and winding up with Ireland—and Yeats "writing the scenario for the Easter Rising."

Novelists Malcolmn Bradbury, Fay Weldon and Angela Carter discussed the economics of literature with Matthew Evans, Faber's managing director, and Bristol bookseller Jon Donovan—a session which produced a lot of ego-trips, but nothing useful about selling books and rewarding authors. But, again, it was nice to talk.

A session on crime writing promised much, but misfired as more interest was shown in the views of Fleet Street crime reporter Tom Sandroch on crime and punishment than on the development of crime fiction since the "golden age."

One of the successes of the festival was Allen Ginsberg. He was there throughout as "writer in residence" and was probaly over-kind to local authors who brought manuscripts to the Town Hall. He ran a session on poetry and meditation and had a hundred or so Cheltenham residents meditating in the Town Hall at 2 o'clock in the afternoon.

He told us about his recent arrest in the U.S. for meditating. "We were meditating on the railroad track in front of a train carrying plutonium waste," he said. And when he discovered which paper I represented, he admitted that he started his own literary career on the business section of the New York World-Telegram.

The "lollipop" that usually starts the Festival was kept until the last evening this year—a programme of words and music on the Victorian period ranging from Tennyson, Kipling and Music Hall songs to readings from the Royal Commission on the Employment of Children.

The performers were Richard Johnson, Liza Harrow, Bernard Lloyd and Charles Keating from the RSC. Cheltenham loved it and I could see tears in the eyes of a former headmaster of the local grammar school during a reading of Kipling's *If*. It must have more than compensated for Ginsberg's howling.

Then to George Macbeth's *Cabaret of Love and Death*—and torch singer Marion Lee. And I'm sorry that the old guard missed it.

Open Space

The Father by MICHAEL COVENEY

Leonard Burt

Veronica Quilligan, Diane Cilento and Denholm Elliott

Although Strindberg's *The Father* (1887) has sponsored some famous histrionic performances — Michael Redgrave, Wilfrid Lawson and Trevor Howard have all played the paranoid chauvinist Captain Adolf since the war—it is, like most of the author's plays, ideally suited to chamber conditions. Charles Marowitz has not all that much to add to Strindberg, but his fluent and colloquial version, played in 90 minutes without an interval, does decorate the gloomy text a little.

Strindberg was driven to write about a tormented husband being literally strait-jacketed by a household of rampant termagants partly in reaction to Ibsen's stage feminism, partly to make something of his disastrous marriage. As usual, the rancid stench of a failed relationship is utterly credible. Mr. Marowitz opens proceedings with a couple of evocative tableaux: Denholm Elliott, already in the strait-jacket which his old nurse will finally foist on him with nursery talk, and Veronica Quilligan as Bertha the daughter punching holes in a painting; and then Diane Cilento as Laura being ravaged from behind by a soldier.

At least the second image gives richness to Laura's tantalising claim that she might have been unfaithful once she has poisoned the Captain's ear with doubts of Bertha's paternity. And Mr. Marowitz piles on the agony by switching the doctor's interview with Laura into an adulterous flirtation, a liberty Strindberg might have questioned before gleefully approving.

The central passage of the play is beautifully done. Miss Cilento dissolving her husband's sexual and social status with chill cruelty. At this point, the Captain throws an oil lamp at her. The production's response is to send on daughter, wife and nurse with flaming torches.

This is a very neat touch, as Mr. Elliott is careful to establish that, before the paranoia set in, he was just a reasonably bad-tempered sort of chap who is savagely treated for his outbursts. Denholm Elliott eschews histrionics for a genuinely well-nourished portrait of the male chauvinist as victim.

Today's feminists will no doubt scoff, arguing that the play schematically avoids the real issues (that is, what they think it should be about). As it stands, the Open Space, about to resort to a nomadic life as the lease in Euston Road is up, has scored a memorable and very well acted triumph.

Old Vic

The 88 by B. A. YOUNG

"The 88" are the 88 men of the Connaught Rangers (the 88th of Foot) who were court-martialled for mutiny in India in 1920. Only one was sentenced to death, Pte. James Daly. It was he who, first announcing clearly who he was, led a bayonet charge against the guard at Solon in the Punjab. The guard fired in self-defence and killed one of Daly's party and one bystander.

In a corner of the stage, we have the Prosecuting Officer and some of his witnesses to give the bare bones of the evidence. On the rest of the stage the men themselves fill in the details, sometimes exchanging words with the witnesses. The mutiny was always polite until that fatal charge. (I was in a mutiny myself in Africa in 1942, and the askaris were so friendly that we arranged a football match between the officers and the sergeants' mess to keep them out of trouble.) All the men wanted was to leave the service of the King of England and go home to a free Ireland.

Mainly the author, Glyn Jones, has used documentary techniques, with soliloquy to establish personal character, descriptive narrative to deploy the facts, small dramatic scenes to add colour. Daly's execution is shown right up to the volley of the firing-party (firing towards the audience, I should say, in case anyone is nervous of fire-arms). It is part of the story that none of the mutineers expresses any emotion but love for Ireland, and the characterisation never goes very deep. It is hard not to feel sorry for a man about to be shot, even a mutineer, but apart from a routine refusal to be blindfolded, Daly goes to his death without much appeal to any but Irish sympathies.

Mark Buffery plays him as well as such an undemonstrative hero may be played. Most of the other soldiers are one-quality men, though John Cording as Pte. Hawes can rouse the feelings. The officers, not being quite so mass-produced as the other ranks, come off better. There is a good performance by Ralph Michael as the battalion commander, a moving performance by Trevor Martin as a priest (and also as a staff colonel). Ronnie Stevens is ramrod-straight as Major Lloyd, the Prosecuting Officer.

The only character I found hard to believe in was Major Payne (Paul Toothill), who is capable when drunk of falling in a squad and threatening to shoot the prisoners down like dogs.

I must say in conclusion that this hardly seems the most discreet time to put on a play about Irish disaffection in the British Army, when the British Army is trying to keep the peace, with great difficulty and hardship, in Ireland today.

Leonard Burt

Linda Lou Allen and Thea Ranft

New End

Ionescopade

by MICHAEL COVENEY

Twenty years after what has become known in Ionesco's collected notes as "The London Controversy," our theatre is still waiting for the only answer that matters—theatrical proof of the pudding. A heated correspondence in The Observer featured Ionesco himself, Kenneth Tynan, Philip Toynbee, Orson Welles and many others, bandying such fine-sounding phrases as "objective reality," "social realism" and "theatre as anti-theatre." The plays themselves have been resolutely ignored, although people have memories of Laurence Olivier in *Rhinoceros*.

This little revue, which originated off-Broadway as long ago as 1973, is most successful when it has least to do with Ionesco. To be sure, there are loyal performances of such short works as *Maid To Marry* (in which a philosophical gent bemoaning the onset of technological advance is introduced to a lady's daughter in the shape of a young man) and *The Leader* (where a private throng is steam-rollered into public subservience by the alarming entrance of a headless dictator—why should he need a head if he's a genius, etc?) But neither argues against the wisdom of the English theatre in turning its back on the absurdist guru. The wit is protracted, the theatrical devices dated, the Gallic charm, if any, obviously untranslatable.

Director Paul Marcus has concentrated on producing a song and dance show that, to put it kindly, is a pleasant surprise in such constricted circumstances. Mr. Marcus always seems to throw an expressive mime, a bit of old-style Berlin cabaret, a few thighs and high kicks into anything he does. Nothing wrong with that, but this does not constitute a defence of Ionesco or even a challenge to his reputation. It just offers a gorgeous contradiction to everything Ionesco was on about.

Mr. Marcus is capably abetted in this schizophrenic task by the sweet and sour music of Mildred Kaynen, who has also chipped lyrics from the assorted journals and plays. I loved the song of the murderous ballerina in "Bobby Watson and Family," in which Judith Bruce expertly encapsulated more or less all Ionesco had to say on the vexed topic of art versus life.

A pleasant company also includes that excellent actor David Schofield letting his hair down, Thea Ranft with a mouth as big as the Wash and the highly attractive Linda Lou Allen. But you come away pandering the artists' versatility and wondering whether an ingenious production of one of the longer plays might not have done something to clear up the vague suspicion that the wily old French Rumanian was a bit of a con.

King's Lynn Festival's new directors

Dame Janet Baker, the mezzo-soprano, and Sir Keith Faulkner, former principal of the Royal College of Music, are to be the artistic directors of the King's Lynn festival from 1981 for three years.

They will succeed Christopher Hogwood, the distinguished early music specialist, who will have been the festival's artistic director for five years, from 1976 to 1980.

Dame Janet and Sir Keith already have their major plans for the 1981 festival in hand. They will continue and develop the emphasis placed on quality of artists and performances established by the festival's founder, Ruth, Lady Fermoy, and continued by her successor, Christopher Hogwood.

New head for Chichester Festival Theatre

Mr. Keith Green, 50, has been appointed administrator of Chichester Festival Theatre with effect from January 1. He leaves the Belgrade Theatre, Coventry, where he has been the joint director since 1974.

Wexford Festival

La Vestale

by RONALD CRICHTON

When a festival noses among the operatic repertory as enterprisingly as Wexford, one can hardly complain if out of three productions in a given year, there is one failure to two successes. All the same it was little sad that this year's non-success (since something of the work's quality came over, failure is perhaps too strong a word) should have been Spontini's *La Vestale*, a stronger, more serious, more important opera than the brothers Ricci's *Crispino e la comare* or Montemezzi's *L'amore dei tre re*, already described on this page.

Gasparo Spontini's career was divided between his native Italy, Paris, and Berlin. *La Vestale* (1807) belongs to the Paris period. The tale of a vestal virgin unfaithful to her vows is the art of the Napoleonic era writ in music. The externals are formal and even frigid, not necessarily the core. There are links with the neo-classical world of Canova, Flaxman and Thorwaldsen (to say nothing of the French painters of the period). Spontini inherited from Gluck, and what he inherited he turned to grandoise, official ends. Wexford's *Vestale* was just good enough to show why other composers, Wagner included, admired and respected Spontini, but it did not show much else.

There were two main reasons. The opera was stolidly and nervelessly conducted by Matthias Bamert with dreary playing by the RTE Symphony Orchestra (so alert and responsive in *Crispino* and the *Tre rè*) that reminded one of the way ballet orchestras used to doze their way through Adam's *Giselle*. The language chosen was the original French. Rightly so, given Francophone singers. But at Wexford only Claire Livingstone as Chief Vestal and Roderick Kennedy as High Pontiff got a phrase or two across. The rest was mumbo-jumbo and the two principals were worse than anyone. It mattered for two reasons: nobody could understand anything and because of feeble and incompetent declamation the vocal line, even when reasonably well voiced, stayed dead. Spontini's lines are, or should be, genuinely expressive. Here they were limp and blunted.

Julia, the erring vestal, was sung by the Israeli soprano Mani Mekler, who has a voice of considerable possibilities, determinedly projected but not schooled to this exigent music. Without clear words, the result was not worthy of the effort. The tenor Ennio Buoso (as the Roman general Licinius, Julia's would-be abductor) was out of his depth. As Buoso's confidant Cinna, that good baritone Terence Sharpe wrestled with a bad throat, but managed some telling moments. Judging from accounts the chorus had greatly improved since the first night, but here again words would have made all the difference.

The producer, Julian Hope, disposed principals and chorus to some effect. The designer Roger Butlin's way of combining an abstract architectural surround with a reproduction of naturalistic painting or print is becoming too much of a trick. Even so, he and Sue Blane, responsible for the becoming costumes, made a brave shot at conveying First Empire grandeur on a tiny stage—the standard of design at Wexford this year has been higher than we can count on this side of the Irish Channel.

Covent Garden

Liebeslieder Walzer

by CLEMENT CRISP

The return of *Liebeslieder Walzer* to the Opera House repertory owes more to chance I fear than design. The postponement of *Dances at a Gathering* has meant that Balanchine's masterly study of waltzing is again happily on view, where otherwise we might have waited in vain all season to see this jewel. For jewel it is, despite its gimcrack setting. The decoration is dismal, from rickety drawing-room setting to the mens' Max Wall outfits; would the heavens fall if the danseurs were at least rid of their white socks, and the women relieved of their mittens? But once this visual hurdle is cleared, delight abounds.

How satisfying the ingenuities of Balanchine's treatment of the waltz in the first section; how felicitous the interweaving of four couples; how firmly placed in the music the fantasies of step, and the little gusts of feeling that spring from them. We see in this initial exploration of domestic behaviour a recurrent feature of Balanchine's choreography: his continuing concern with popular forms of dance, and his ability to use the demotic of movement to feed his creativity. In *Liebeslieder Walzer*, as in so many ballets during New York City Ballets great London season this summer, dance invention arises sweetly, naturally from what are no more than commonplaces of social dance.

Balanchine heightens effects, sharpens edges, and the style at once becomes theatrically exciting. So it is with the first, more adventurous part of this loving portrayal of waltzing. It proved the more difficult for the Royal Ballet's artists last Thursday when the ballet was revived. Vergie Derman remains, as last season, the single truly idiomatic performer here—and this despite a disintegrating hemline—in her response to the lilt and lift of triple time. Very beautiful her variety of rhythm in the simple walk that opens one of her duets with Mark Silver; the rubato that is so essentially a part of each bar in a waltz is no less surely a part of her dancing.

With the second, balletic half of the ballet, the whole cast are more at ease, responding to the *terra cognita* of the academic dance beneath their feet. Laura Connor, Jennifer Penney, and Lesley Collier (who has the loveliest, penultimate waltz in the ballet) are fine: their partners—Michael Coleman, Julian Hosking, Michael Batchelor—are attentive, suave, properly adoring. And whatever the visual misdemeanours of the production, the choreography is unflawed, life-enhancing. Imperative viewing.

Mobil's third season delayed

The Mobil Concert Season, which usually begins in October, has been delayed until February to allow redecoration to Wren's Royal Naval College Chapel at Greenwich, where the concerts take place.

But the annual carol concert takes place on Tuesday, December 18, when the choir of the Royal Naval College Chapel will be conducted by Gordon St. John Clarke.

The third season proper begins on February 29, running into May. It will feature Itzhak Perlman, Sheila Armstrong, James Bowman, Galina Vishnevskaya, Mstislav Rostropovich, Sir Clifford Curzon, The English Chamber Orchestra and the Philharmonia Orchestra.

ATHLETICS BY TREVOR BAILEY

Stars no longer running just for fun

THE ALLEGATIONS, that some top amateur athletes from the UK and overseas received illegal payments for competing at two meetings in Britain should surprise nobody. It has happened before, and it is no secret that in the past a number of big-name runners have accepted high expenses for appearing at certain events.

What is odd on this occasion is that the offenders (apparently) were foolish enough to sign for the money.

The worry is, if these charges are proved, some of the finest runners in the world, including several with genuine medal chances, will be automatically banned from the Moscow Olympic Games.

Ironically, if this is the case they will be punished for taking cash which was far less than the big sums lavished on most of the eventual winners in various forms, these range from the U.S. scholarships to the extensive facilities given by the Communist countries.

Both methods allow the athletes to concentrate on their events without having to worry about earning a living.

At the very top competition is so fierce and the preparation so demanding that very few Olympic events can be won by anybody who has not devoted himself to the sport. The day of the genuine amateur, who ran for fun and could afford to live a normal life, has long gone.

The reason for an increase of undercover payments to top athletes is sponsorship. The sponsor expects and requires the big names at his meeting. These are in short supply, while there are many well sponsored events in the UK. All wanting the few performers whose presence will draw the crowds and the media. It may be ethically wrong, but it is easy to understand the temptation to take the money for an air ticket from New Zealand, when the journey was 10 miles.

Although the atheltic administrators are understandably worried by amateurs accepting rewards in cash and kind over the permitted levels, this is the same problem which has in the past worried the governing bodies of cricket, tennis and association football, and the shamateur flourished.

W. G. Grace, a real amateur, made more money out of cricket than anybody in a period when the pound was worth a sovereign. I once had a most interesting discussion with a man who was probably England's best tennis player of of his time, which was before the game went open. He was complaining about the inadequacy of his expenses which, incidentally were far higher than the earnings of a test cricketer, but when I suggested he turn professional, he admitted he could not afford it.

I played top class amateur soccer in an era when the average home gates were much higher than most third and fourth division clubs today. While there was a capacity 100,000 crowd for the Amateur Cup final at Wembley. With so much money about, it was inevitable that some found its way into the boots of the players, though not on such a lavish scale as was often rumoured.

The simple truth is that in a materialistic society there is no such thing as a truly amateur sport when big sums of money are involved from gates or sponsorship.

The top class athlete of a crowd-drawing sport is in demand. He is in a position to exploit his talent, which he has taken a long time to acquire, in such a way that he is rewarded directly, or indirectly.

The officials controlling those amateur sports with a considerable spectator, or television following must know that some of their best performers are probably not true amateurs. Unless this becomes blatant it is usually ignored, a fact of life and difficult to prove.

Although ending the differentiation between amateur and professional and going open, as has happened in cricket, tennis and soccer, will end the hypocrisy, the price is costly for the sport involved. A professional expects, and takes a far bigger share of the spoils than a shamateur ever did.

If the present definition of amateur in athletics was abandoned and direct appearance money allowed, some runners would do very well, the shamateur runner would disappear and there would be much less cash in the athletic kitty.

RUGBY UNION BY PETER ROBBINS

Scotland's errors exploited

ONE OF the fascinations of rugby lies in outwitting the opposition by careful planning of strategy, tactics and the maximum employment of individual talents within the team.

If it is important to know the opposition's strengths and weaknesses it is equally vital to recognise ones own limitations and to have contingency plans.

Unfortunately when the primary strategy breaks down it is unlikely that any contingency plan will work and the game has to be played almost on an ad hoc basis.

This was the position Scotland ultimately found themselves in against New Zealand on Saturday when they lost 6—20.

In reality there was not that much technical difference between two disappointing sides. It was merely that as Scotland tired they made a greater percentage of errors which New Zealand exploited gratefully.

Still, four tries to nil is an emphatic enough difference.

Any side playing the All Blacks has to minimise mistakes, keep possession of the tackle, pass well, field the ball safely and find touch securely.

It is very simple in theory but Scotland fulfilled these criteria only for the first 30 minutes when the pack won some splendid possession at the line out and ruck.

Unfortunately the link between the two units creacked because Lawson was too anxious in his passing. The passes treaded dangerously but more importantly, his judgment varied.

Scotland won a good ruck early on with Wilson, the New Zealand full back pinned in it, but then Lawson chose the wrong side to run.

Similarly when Rutherford made a long surprise break Hay brought the ball back inside with Irvine unmarked outside.

That sort of error decides matches and Irvine also made his fair share of mistakes, something which Scotland could not have foreseen.

Irvine has not been able to train regularly because of injury and I suspect that he is not given enough latitude in international matches and his club games.

The Scottish back line gave the impression of having been picked on reputation rather than form and they largely negated the finer efforts of the pack where Milne and Biggar were the pick.

Gray and Tomes both did well at the orthodox line out, but then Mourie, the New Zealand captain, changed the line out format to two men only.

It was a marvellous piece of insight and excellent captaincy, bringing as it did a soft try from Mexted.

As at Leicester last week it was also the timing of the try just after half time that wrecked Scotland. Another short line out produced the third try and this time it was Stiers who set up the successful ruck.

What has been obvious so far is that the All Black team is very limited both in the scrum and outside the stand-off position except for Wilson.

New Zealand had cause to be grateful to Loveridge for his quick economic pass put Dunn yards away from Dickson and so Dunn never had the pressure that Rutherford suffered.

When Donaldson came on for Loveridge in the second half he too was so much quicker over the ground than Lawson, and much more accurate in his kicking.

Equally clear is the fact that the team has recognised its limitations. But it is a fact that the changing face of rugby suits this particular touring party.

Once front rows decided rugby matches, and the value of such stalwarts as McLouchlan is not in dispute, but the modern game is so quick and mobile that now it is the fast backrow forwards who sway matches.

In the middle and late 50s, the backrow was just destructive and the laws were changed (and quite properly) to give the game a chance to flow.

Now the game flows all the time and players like Mourie, Steward and Mexted are right for the modern game.

It should also be remembered that the touring team has a great advantage in fitness and so for all their efforts Biggar, Lambie and Dickson were way behind Mourie and his colleagues.

So the game was won and lost by the fitness and speed of the New Zealand trio and the tactical assurance of Loveridge and Donaldson.

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Paying for our housing

A Pandora's Box of economic and political problems has been handed to the committee on housing finance which Mr. Michael Heseltine established last week. A thorough reform of Britain's mortgage market could involve some of the most important, and most painful, decisions that any government could have to make. For the personal fortunes of 54 per cent of Britain's population who live in their own houses depend directly on distortions in the financial markets and the tax system which are now threatening to damage the economy on a scale that the Government cannot afford to ignore. Unwinding some of these distortions will be particularly difficult for a Conservative government since the rise in home ownership and in house prices since the Second World War has brought millions of Britons into the propertied classes, and has done more to redistribute wealth than any tax that socialists have devised or proposed.

The cost

It should be remembered, however, that this desirable redistribution of wealth has been achieved at least in part at the cost of industrial investment and the value of equities. Building societies have channelled an increasing proportion of Britain's savings into housing, and away from the stock market. It is alarming therefore that Mr. Heseltine's committee has been given the brief of "reviewing ways of securing an adequate and stable flow of funds" for mortgages. Both its brief and its membership, which consists of bankers and institutional investors, rather than economists or industrialists, suggests that the committee may look at housing finance in isolation from its broader economic effects. If the Government's intention is to shorten the mortgage queues by directing more institutional investment into mortgages, there is a clear danger that housing will take over the role that the Government has promised to relinquish, of crowding out industrial investment and fuelling monetary growth.

Rather than seeking ways of increasing the flow of savings into mortgages by harnessing the financial resources of the banks, pension funds and insurance companies, the Government ought to have the courage to recognise that the basic problem in the housing market is one of excess demand. Too many people are trying to buy too many houses at prices which the nation cannot afford to finance. This is a difficult admission because promoting a surge of home ownership, which would raise the proportion of owner-occupiers in Britain to around 70 per cent, rather than the present 54 per cent, is an objective dear to Mrs. Thatcher's heart.

Viewing the mortgage problem as one of excess demand, rather than inadequate supply, suggests three remedial actions that would be entirely consistent with the Government's free market philosophy. All of them would make mortgages more expensive and, perhaps, depress house prices. So the decisions will be tough. But ultimately no other palliatives will succeed in balancing the supply and demand for mortgage funds. First, the Government must abandon once and for all the practice of bullying building societies into deferring changes in mortgage rates until these are politically expedient.

Structure

Second, in the slightly longer run, the institutional structure must be changed to ensure that the rates that building societies charge for mortgages and pay to their investors reflect the state of financial markets as a whole and not just of an insulated housing market. This means introducing more competition into the mortgage business and on this point Mr. Heseltine's committee is well placed to comment. Competition between banks, insurance companies and building societies is to be encouraged. More importantly, competition between the building societies themselves would be a better way of determining mortgage rates and of catering for a variety of savers and borrowers than the monthly price-fixing meetings of the building societies' cartel. To complete their integration into the financial system, building societies must be brought within the Bank of England's system of monetary control.

Thirdly, steps must be taken to ensure that in the long-run, the housing market no longer occupies a uniquely privileged position in Britain's financial system. Inevitably this means reviewing the tax relief that owner occupiers now enjoy. The interests of 10m owners cannot be ignored, so that inevitably the reform will have to be a gradual one. The only politically acceptable way of achieving change may be to let inflation eat away at the £25,000 limit on mortgage tax relief. If this is the Government's view, then it must say so clearly, to encourage the long-term movement of funds out of housing and into industry which this and the other reforms must aim to achieve.

The question of boom or bust for UK property

BY MICHAEL CASSELL

JUST SIX years after Mr. Gerald Caplan's London and County Securities collapsed, heralding the start of the secondary banking crisis and the end of the biggest post-war property boom, some uneasy questions are being asked about the prospects now for the property industry.

After a long but sound convalescence and just as an upsurge in development activity is gathering pace, certain similarities between the state of the economy at the time of the last crash and the situation today are giving rise to fears in some quarters that the property world is in for another tough ride.

Six years ago, the onset of a recession—provoked largely by oil price rises—a credit squeeze accompanied by high interest rates and accelerating inflation all combined to help drastically to undermine the property market.

Today, the backcloth against which the property sector is operating shows several similarities to the early 1970s.

There is the prospect of an imminent economic recession, a phase of high interest rates is well established and inflation is moving upwards. Such has been the demand by cash-rich institutions for what little good property is available that investment yields have been forced down to historically—some say unrealistically—low levels.

Shops and offices can now command yields of 4-4½ per cent with those for industrial space touching little more than 6½ per cent, even lower than during the last boom.

Development yields too have been pushed down to a level which can sometimes make little sense when measured against the costs of finance and construction. But in spite of some knife-edge financial calculations now being done in advance of development schemes, the general level of new construction activity has been increasing and there is evidence that a fairly significant upturn in output is now under way.

Development should be helped, if not actually stimulated, by a succession of government announcements designed to ease the restrictions facing developers, from the reduction in Development Land Tax from 80 per cent to 60 per cent, the abolition of office development permits and moves to release development land coveted by lethargic local authorities.

Until the collapse of 1973-74, the property market had been thriving largely on a set of unrealistic assumptions concerning growth in rentals and, more decisively, capital values. Behind it all was an irrepressible belief that demand for property, whether as an investment or simply an operational necessity, could only increase, and that property values were rock-solid.

Extravagant financing

The air of unreality was compounded by a mix of wild and extravagant financing arrangements which nurtured the ambitious operators and tempted even the most traditional property companies to overstep the dividing line between the prudent and the precarious.

With developments being funded using bank loans as bridging finance, bank lending to the property sector shot up more than sixfold between 1971 and 1974 to £2.7bn and using short-term money the property men activated a massive wave of speculative development.

Activity was principally funded on the basis of capital growth expectations, with property companies often accepting that initial rentals could not generate adequate returns and deciding instead to push ahead on a deficit financing basis until the first rent reviews.

Developers assumed that properties could be sold to the institutions for large development profits or, alternatively, refinanced on completion if longer-term interest rates fell.

The result was a mountain of speculative schemes by some highly geared companies, rapidy falling yields because of a scarcity of investment opportunities and extra-fast rental growth for new developments which were not subject to the rent controls existing at the time.

With the credit squeeze, however, short-term interest rates more than doubled, while the recession hit demand and the resulting oversupply of space pushed rents down. In the face of what for many property companies was insufficient rental income to cover escalating interest payments, together with the refusal of the banks to roll-over short term loans, receiverships began to sprout up in place of office blocks.

The collapse took with it the confidence of an industry whose actions even now reflect an awareness of the events of the early part of this decade. At the same time, it removed from the scene a long list of names which had become synonymous with the industry's success.

Among the victims were Mr. Gabriel Harrison's Amalgamated Investment and Property, and the property empires of Mr. William Stern and Mr. Ronald Lyon. Others to succumb included Mr. Harvey Soning of Guardian Properties, along with numerous others. The failures left an indelible mark on the property sector.

Major property companies like MEPC, Capital and Counties and Town and City have still to recover fully from what were invariably self-inflicted, if unintentional wounds.

Six years after the collapse, exceptional increases in values have already been recorded, with the market for prime properties having risen by anything up to 70 per cent since early 1977. Average annual gains have been recorded of between 25 per cent and 35 per cent in the last two years.

There has also been a period of abnormally high growth for prime rental values, with the last year alone showing annual average ries in the order of 25 per cent. to 30 per cent (a repeat of the 1973 situation). In London's West End, some retail rents have risen by 100 per cent during the last 12 months.

Much of the current concern about the property sector's prospects centres on the fact that, together with current yields, these high rental growth rates could be substantially undermined by the recession. As a result, just as the wave of development activity begins to build up, property values are considered by some at least to be suspect.

But if there are similarities between present events and those which presaged the last property collapse, the industry hopes, and largely believes, that these are more than outweighed by the differences which exist and that a repeat of the last crash is impossible.

One fundamental difference is the actual volume of new construction taking place. For although activity has been steadily rising again, there seems to be little danger of an excessive supply becoming available or that the appearance on the market of large volumes of new space will coincide (as in 1974-75) with a period of low demand.

Investment caution

Although the largest property companies, some of which are still preoccupied with the elimination of previously accumulated debt, have been slowly shrugging off the role of passive rent collectors and starting new schemes, caution has characterised their investment and development strategy.

They have been tempted back on to the development scene not just by healthier internal finances and the chance of a good deal but by their wish to re-establish their corporate credentials, show the City they are back in business and, they hope, to stave off unwelcome takeover bids from suitors which think they are dormant.

A spate of rights issues in the property sector—raising nearly £100m so far this year—together with the gradual recovery of some previously ailing balance sheets have helped to bring the property world back to life.

Most of the major companies' capital commitments are still running at a fraction of the levels of 1972-73 and, with many schemes still at the planning stage, activity could be sharply curtailed if the anticipated recession bites quickly and deeply.

At the same time, many of the speculative developments now underway can be expected to be completed in 1982-83 when the economy could be looking stronger. In addition, a large proportion of the developments being proposed are with specific purchasers or tenants in mind, so reducing the developers' exposure.

There is doubt, however, about the likely level of demand for new speculative space—particularly in the warehousing and retail sectors—which becomes available over the next year to 18 months.

Space will undoubtedly be on offer in a tougher market and to make matters more difficult developers will need to be recouping the rapidly rising construction costs now being experienced if schemes are to remain viable. Two years ago a developer could, for example, easily find a contractor ready to put up a shell warehouse for between £7.50 and £9 a square foot, but today the figure will be nearer £11-£12 and rising.

The latest period of buoyancy in the property sector is also characterised by a fundamentally different financial atmosphere, not least the fact that interest rates are high and, as such, have been built into feasibility studies.

The banks' role as major providers of investment finance for property has, not surprisingly, fallen back. In 1975, when their property commitments were at their highest, they accounted for about 10 per cent of total bank advances, but this figure has now been cut to under 5 per cent.

Their role has, in the past three or four years, been invariably taken over by the pension funds and insurance companies—often acting as developers in their own right—which this year are expected to have put around £1.35bn into property investment. Throughout, they have adhered to the attractions of prime property and the temptation of higher yielding secondary investment alternatives appears to have been largely resisted.

The property companies themselves are now emerging as a major source of development finance. Large asset disposal programmes as part of their degearing process, along with the string of rights issues, has brought them back into the business of financing schemes from internal resources, providing competition for the institutional investors or at least enabling them to extract better terms for development projects from interested parties. With the property companies no longer so dependent on short-term finance, the prospect of them having to offload large numbers of properties onto the market in order to repay loans—and thereby hitting capital values—has dwindled.

Whatever the uncertainties confronting the property world, it believes that it is in much better shape to confront any difficulties which lie ahead than it was in 1973-74.

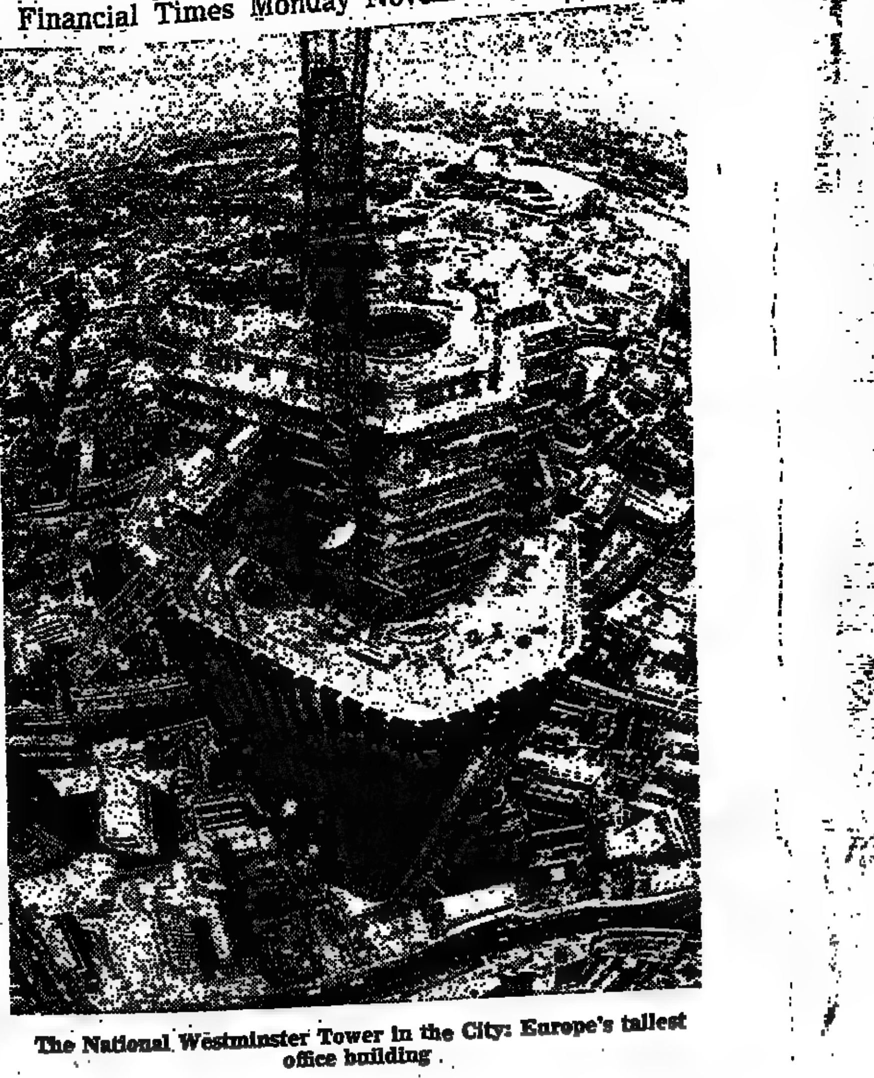
It is widely accepted that some changes in recent trends are certainly on the way. Rents generally have continued to outstrip inflation but as the economy slows and inflation accelerates rental growth is being undermined. Even if rentals continue to edge ahead in 1980, it seems highly improbable they will be rising in real terms.

Capital values, having effectively been regained over the past three years, are expected to remain substantially intact, with a period of consolidation rather than spectacular appreciation ahead.

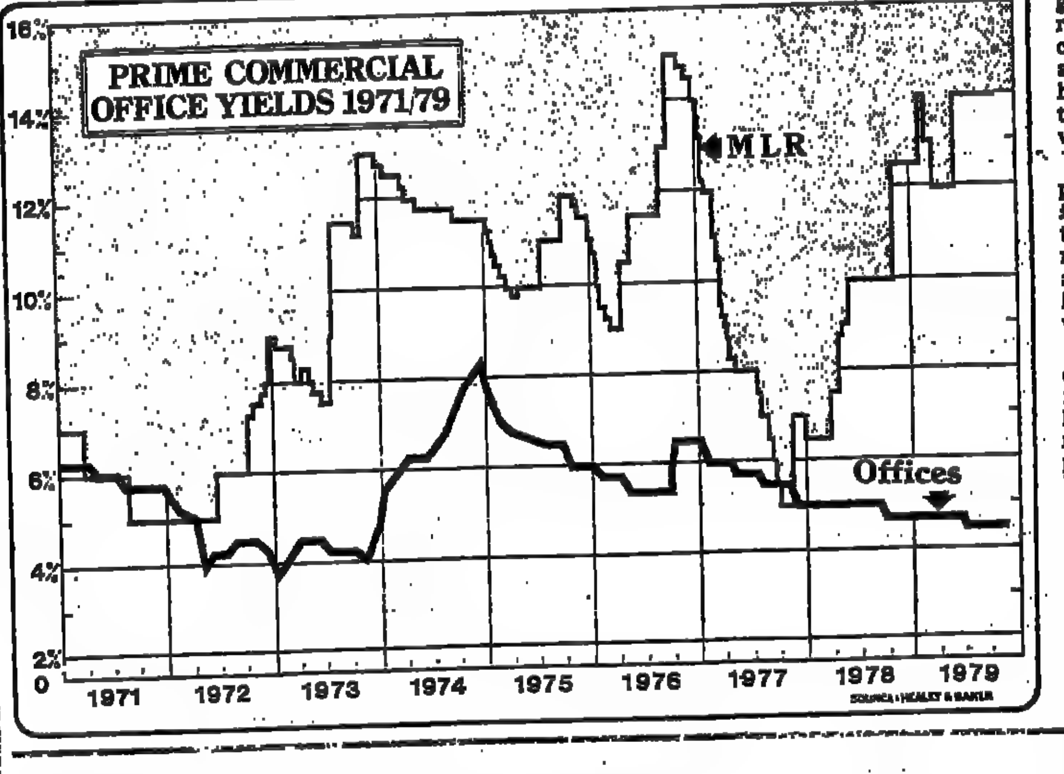
Poised for profits

As for the property companies themselves, they are poised for a period of profits boosted by major rent reversions and strong earnings and dividend growth which only a prolonged and deep recession seems capable of frustrating.

There is little unqualified optimism among the companies about the medium-term prospects for their industry, more a feeling that in its present position it can accommodate a "slack tide" for 18 months or so and that, if things go wrong again, it will not be because of its own clumsy errors of judgment. Few really believe that the property market could again allow itself to be turned inside out.



The National Westminster Tower in the City: Europe's tallest office building



Kenya votes for change

KENYA USED to be a country where the relatively rosy present was increasingly overshadowed by doubt about what would happen after its founder, President Kenyatta, died. The longer he lived and the older he became the more the uncertainty grew. Now, a little over a year after his death, most of the doubts have been resolved. The accession to power of Mr. Daniel arap Moi, Mr. Kenyatta's vice-president, went smoothly, and his position should be strengthened by the outcome of last week's elections.

The election shows that even in a one-party state it is possible to have a considerable degree of democracy. All the candidates had to be members of the only legal political party and the President and some of his closest associates were permitted to stand unopposed. But the election still brought about the defeat of a third of the cabinet and over half the sitting members of parliament. It gave victory to several anti-government candidates among the Luo tribe of western Kenya, chief rivals of the predominantly Kikuyu establishment. For the first time since independence, both a European and an Asian will sit in Parliament.

Opportunity

For President Moi the election was an opportunity to divest himself gracefully of some of the members of the old guard he inherited from President Kenyatta and to consolidate his own rule with his own men.

He is probably glad to see the defeat of some members of the cabinet, which he did not feel strong enough to change substantively after President Kenyatta died. Some of his own supporters whom he might have promoted have been defeated too, and some of those whom he might have wished to lose have been returned, so he will not have a completely free hand.

But he will be able to press on with rooting out the corrupt and inefficient in the administration, a process he began when he came to power.

Mr. Moi will need a strong core of support in his government to supplement his personal popularity if he is to take the unpopular decisions that may be needed in the next few years.

Kenya's good record of economic growth for what is predominantly an agricultural country is the result of a free enterprise system whose efficiency is enhanced by the fair number of Europeans and Asians whom the Africans feel self-confident enough to tolerate in important positions. But prosperity has been accompanied by big gaps between rich and poor and one region and another.

These the Government has set its mind to correct. The trouble is that the economic growth that would make this strategy easier is constrained in the short term by balance of payments problems.

In the medium term, the better agricultural land is being used up, posing the questions of whether to subdivide large holdings and try to farm the marginal land. Industry is finding that it is reaching the limits of import substitution.

Solution

The solution, which will be painful to Kenyan businessmen and the trade unions, is the gradual lowering of tariffs to force industry to be more competitive in other export markets.

Within East Africa, the Kenyan Government is in a delicate position. Much less heavily harmed than its neighbours, it is worried by the extension of Tanzania's influence into Uganda, while it still fears that Somalia has designs on the Somali people of north-east Kenya.

Kenya will have its share of problems as it tries to grapple with the challenges of the 1980's under Mr. Moi's leadership. But last week's election can only strengthen the self-confidence of both the Kenyan nation and its new leader.

MEN AND MATTERS

Feeling glum about Norm vs the rest

Renewed speculation that tax relief is in the offing for those burdened with stately homes has set many a heart leaping as its owner listens to the drip-drip of the rain in the stairwell, or glares at the fungus in the west wing.

Garbled accounts of good news soon cut little ice, however, with Oliver Stanley, the urbane lawyer who acts as taxation adviser to both the Country Landowners Association and the Historic Houses Association. The Government's review of Capital Transfer Tax will, he feels, be "serious." But the idea of special relief for special cases—"whether it's heritage houses or people with two heads"—is evidently anathema, or near-anathema, to an administration which believes in the survival only of the fittest and the brightest.

The heritage lobby argues, predictably, that simply creating a new climate with less burdensome taxation all round is not good enough. "It's not really a tax problem, it's a problem of costs and maintenance which has been aggravated by taxation in the past," argues Oliver. Apart from being politically discreet — because concealed — major tax relief would also be "psychologically helpful" to owners of historic houses.

The prognosis is not, however, especially favourable. Oliver feels that the arts minister, Norman St. John Stevas, is essentially on his side: "He's very responsive to the arts, being virtually one himself. So he's sympathetic. But we don't know if Michael is—he's more one of the sink-or-swim school." This may incline environment secretary Heseltine despite his own Palladian mansion, the other way. "And when the chips are down I tend to feel that Michael is more influential than Norman. On the other hand we have got to think about Geoffrey. Then there are so many Treasury ministers and they are such a mixed bag—Arthur, Peter, Nigel, John . . . —Heaven knows what they will get up to when they start discussing this."

Panic pack

Although the U.S. Government is fond of observing that gold has no place in the monetary system and should be treated like any other commodity, it is realistic enough to accept that this is a minority view.

I gather, for instance, that the so-called "escape and evasion kits" issued to U.S. paratroopers and agents contain evidence of this pragmatism. The Atlantic kit, for instance, includes a gold sovereign, two half sovereigns, a 20 Swiss franc gold coin, a 10 franc coin and three gold rings. The South-East Asia Kit contains a gold chain, a gold pendant, two gold coins, and a 21-jewel Swiss watch. "The gold is for barter purposes," a Pentagon spokesman tells me.

Sea-change

In case the BBC is still fishing for compliments about its external services, I am happy to announce myself a devotee of the Merchant Shipping News, a purveyor of all sorts of fascinating information. The other night, for instance, at some inconvenient hour, one learned of the first serving officer in the UK merchant marine to become pregnant.

Mrs. Anne Goscomb, a 25-year-old 2nd lieutenant with Mobil, delayed breaking the good news to the company because she feared she might be grounded, if that is the right expression, and needed the money. She therefore went on working till she was nearly six months pregnant. Mobil's first response, when the matter could no longer be concealed, was—she says—that she should take unpaid leave, then that she should take "study leave."

Her own feeling is that pregnancy and running a tight ship are not incompatible: "In Norway the companies leave it up to the woman concerned to decide whether she carries on. I can't see why it can't be like that here." The issue has now been confused by the fact that she has earned enough leave to keep her going until 11 weeks after her baby is born in January.

The Merchant Navy and Airline Officer Association, of which Mrs. Goscomb is a member, is negotiating about the case at national level, since Goscomb junior is possibly the first of many—the MNAOA has over 200 women members, most of them young. Unfortunately another natural event has delayed these vital discussions —national secretary Bill Wilfson has been taken ill.

In harmony

On the day party officials were celebrating last week's 62nd anniversary of the Russian revolution at the socialist-realist Palace of Culture in Warsaw, a number of Western bankers and businessmen found themselves at a rival gathering 15 miles away.

The venue, perhaps more congenial to them, was an 18th century country house once owned by the Polish royal family. In this rarefied setting the bankers ate, drank, and listened to a virtuoso rendering of Chopin's Revolutionary Etude—a mildly ironic choice, considering that the reason for it all was the 50th birthday of one of Poland's more undisguised bastions of State capitalism, the Bank Polska Kasa Opiekisa.

Set up in 1929 to facilitate financial contacts with Poles working abroad, the bank continued to do just that when it was resuscitated in 1945. Its success in bringing home much-needed foreign currency was such that attempts to close it down in the Stalinist Fifties were resisted in the name of financial expediency.

Business has been particularly brisk since all Poles were permitted, three years ago, to open no-questions-asked hard currency accounts. Given Poland's continuing balance of payments problems, the $400m deposited in this way is useful enough to override ideological nit-picking: the bank was duly patted on its corporate head by the minister of finance, who attended the party, for its role in helping to build "a brighter socialist future."

Saying 'Go'

Executives of Midland Bank dejected about their failure to buy the Chicago-based financial group Walter E. Heller may find their attention caught by an advertisement in the American financial weekly *Barron's*. Beneath the arresting headline "Power to say 'Go' when an acquisition seems stopped" the advertiser boasts of his ability to get things moving. Time after time, it is claimed, the advertiser has been "the one source with the business insight and financial creativity necessary to make a complex acquisition or divestiture possible.

The only thing which might discourage Midland from seeking a solution, "in confidence," from this source is that the advertiser is—Heller Financial Services.

Joining the queue

In Tehran it would be understandable, but Brussels is not the sort of capital where one would expect an American Embassy to feel beleaguered. But it does, apparently—in the last few days it has been citing security grounds to encourage Belgian police to tow away cars parked near the embassy. The only snag is that two-thirds of the disgruntled car owners who have trudged off to the faraway pound have been American diplomats.

Observer

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

:E ASSOCIATION OF
INTERNATIONAL BOND DEALERS

At 31st OCTOBER 1979

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are *published monthly* by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month.
There is no single stock *exchange for Eurobonds* in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered *across the world's* major financial centres.

Membership of the AIBD (which was established in 1969) comprises over 450 institutions *from about 27 countries.*

Eurobonds in October

BY FRANCIS GHILÈS

Memories of October, 1979, wil not be easily erased from the minds on dealers in the Eurobond markets. Price falls of unprecedented magnitude greeted the huge surge in U.S. interest rates which followed the announcement of the Volcker measures to restrict credit and *defend* the *dollar.* Eurodollar three-month rates *reached* a *high of* 16¼ *per cent* while yields available on dollar issues trading in the secondary market rose by about 100 basis points to an average of 11½-12 per cent. Investor reluctance to *buy dollar-denominated* paper, other than floating rate notes, had been in evidence for some time but during the past month virtually no new funds seem to have been committed to straight dollar bonds.

For months, the bond market had been clamouring for strong measures to defeat U.S. inflation and underpin the dollar. When *Paul* Volcker was appointed to head the Fed last summer, the international banking community applauded. Few bankers then expected that his medicine, when it came, would be so strong. The second and third week of the month witnessed the most difficult trading conditions since 1974. Complaints were rife that a number of market makers were not answering their telephones and were not prepared to make two-way prices: for all the complaints, however, it was never impossible to buy or sell bonds and the Eurobond market emerged from this ordeal with its reputation less tarnished than the Yankee bond market.

In two trading weeks, prices of straight dollar bonds shed about 100 basis points across the board, while yields were pushed up on average by about 100 basis points to 11¾ per cent.

First Chicago estimated at the end of October that new straight and convertible dollar issues so far this year, *which* total $5bn in face value, showed a capital loss, by late October, of $345m, $300m *of which* was *incurred* since the end of September. Bond houses cannot take comfort from the record reflows of interest and principal on outstanding bond issues to the year end which amount to $2.5bn, according to Orion Bank calculations. Only a fraction of this money is expected to find its way back into the bond market.

The very poor state of the market led to *the* cancellation of two straight dollar bonds which had been announced a few days prior to the Volcker measures. New issue activity did resume, however, before the end of October, but it was concentrated entirely in the FRN sector of the market.

The FRN side suffered less than other dollar sectors. Prices tended to strengthen on issues whose coupons had just been readjusted or were about to be so. In a number of instances, the prices of recent issues did not strengthen noticeably but managers said the bonds were moving off their books and into investors' portfolios.

Overall the market was hit by an unfortunate punch. On the one hand the Volcker measures have yet to prompt investors to relieve the investment banks in the dollar sector of their misery. On the other, investors in hard currency sectors quickly began discounting the implications of the package for the D-Mark and Swiss franc sectors.

New foreign D-Mark issues worth DM400m were scheduled for the three weeks to November 12 but, by the beginning of November *it* looked *as* if more than half this amount would be cancelled. Those issues which were offered towards the end of October, such as the *DM 225m public issue for the* EEC did not meet with a warm response despite the rise in yield offered to investors.

Selling pressure pushed prices down in the foreign *D-Mark* sector, particularly towards the end of the month. Yields of well over 8 per cent are now available on longer dated bonds. On shorter dated paper, especially in the domestic bond sector, yields were also rising. The announcement that DM 2bn worth of Carter bonds would be offered in early November did not weaken prices. German banks had made sure that these bonds would be fully marketable securities, which was not the case last year.

In the Swiss franc sector, interest rates were rising faster than the yields offered on foreign bonds. Many new issues were not covered by subscriptions and, at the tail-end of the month the three big Swiss banks decided to reschedule the new *issues* they were planning for November.

Prices in the secondary Swiss franc sector fell heavily. Yields of more than 5 per cent were obtainable on prime names where a month before yields of 75 to 100 basis points lower were enough to ensure that the bonds were well placed. Further *falls are* expected as the *jump* to what investors can obtain on similar quality and maturity paper in the other major currency sector remains considerable.

Twelve-year World Bank paper yielding 8¼ per cent was available in D-Mark denominated paper against just over 5 per cent denominated in Swiss francs.

CONTENTS

The table of quotations and yields gives the latest rates available on 31st October, 1979. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the Information *it contains is accurate* or complete.

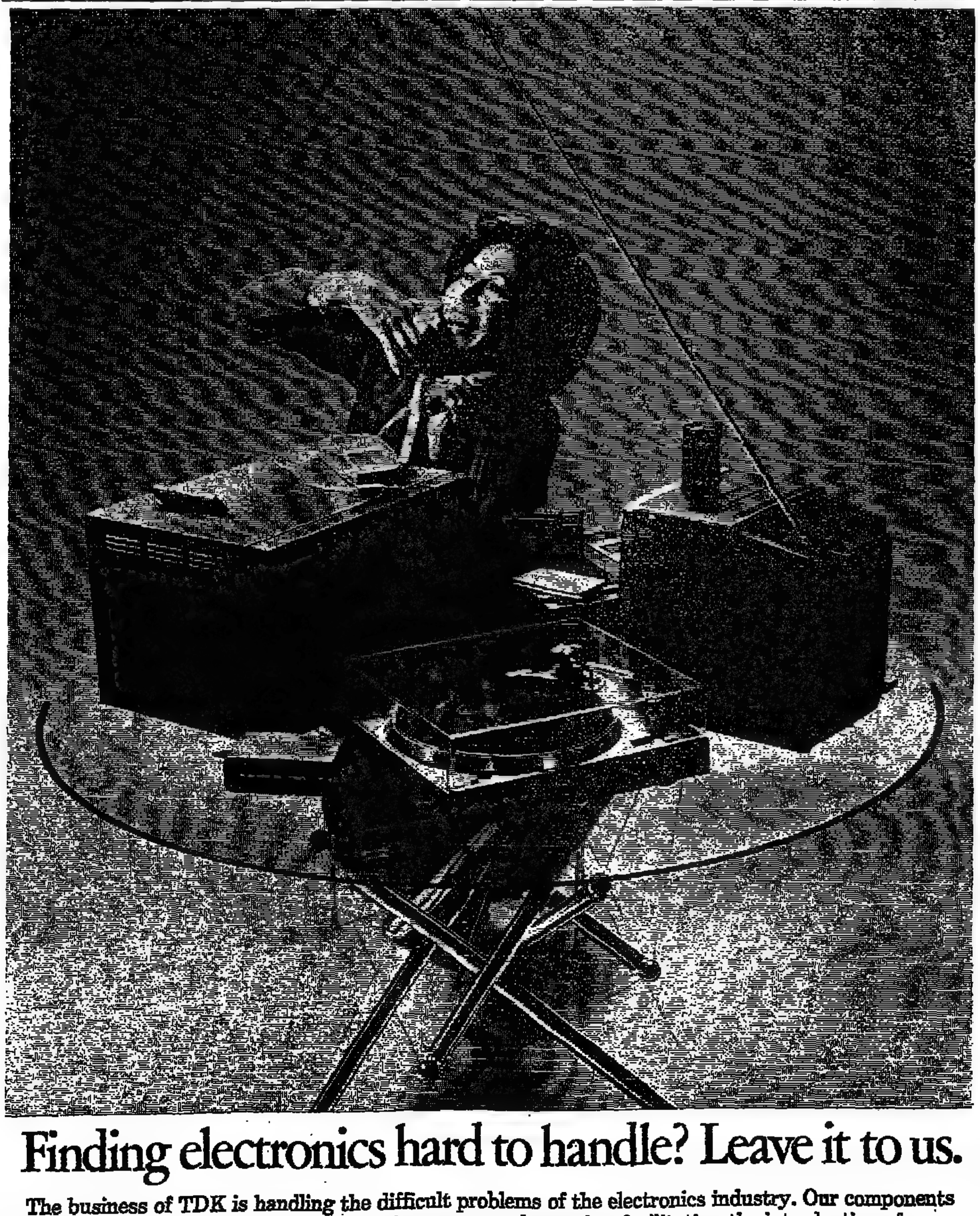
All rates quoted are for indication purposes only and are not based on, nor are *they* intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members *will trade in all the listed* Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility *for errors* in the table.

ISSUED/ EST. O/S (AMT)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	LIFE/ AV. LIFE	YIELD TO MATURITY/ TO AV. LIFE	CURRENT YIELD	YIELD TO NEXT CALL/ NEXT CALL PRICE	CALL AMT/ NEXT CALL DATE	NEXT S/F AMOUNT/ FIRST S/F DATE
		US DOLLARS-ALGERIA							
25	1977 100.00	BQUE EXT D'ALGERIE 9.00 15/ 8/1982	90	2.79	13.49	10.00	101	30 1979	1.00 EX1978
		US DOLLARS-ARGENTINA							
50	1979* 98.50	ARGENTINE REPUBLIC 9.875 1/ 8/1984	91 3/4	4.75	12.24	10.76			
		US DOLLARS-AUSTRALIA							
30 5.8	1963 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	92 1/4	3.42 1.92	7.76 9.73	5.48	100 1/2	30 1979	.83 1965
25 .7	1960 97.50	AUSTRALIA,COMMONWEALTH 5.25 15/ 4/1980 S	94 1/2	.46	19.11	5.63	100	30 1979	.70 1962
25 1.4	1960 96.00	AUSTRALIA,COMMONWEALTH 5.25 1/10/1980 S	95	.92 .67	11.42 13.69	5.60	100	30 1979	.67 1962
25 2.7	1961 97.00	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1981 S	93 1/4	1.67 .93	9.70 12.68	5.99	100	30 1979	.68 1963
30 4.1	1962 98.25	AUSTRALIA,COMMONWEALTH 5.50 15/ 1/1982 S	92 3/4	2.21 1.22	9.15 11.97	6.02	100	30 1979	.81 1964
30 5.0	1962 97.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1982 S	92 3/4	2.67 1.42	8.78 11.45	6.02	100	30 1979	.83 1965
25 4.2	1962 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	92 1/8	2.92 1.67	8.79 11.06	6.06	100	30 1979	.69 1965
25 8.3	1965 98.50	AUSTRALIA,COMMONWEALTH 5.50 1/ 5/1985 S	91 1/4	5.50 3.01	7.61 9.08	6.12	101	30 1979	1.39 1968
25 9.7	1965 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	92 1/8	6.01 3.01	7.54 8.98	6.34	101 1/2	1979	[illegible] 1968
25 9.4	1967 97.50	AUSTRALIA,COMMONWEALTH 6.50 15/ 6/1982	93 3/4	2.62 2.12	9.26 9.83	6.93	100 1/2	30 1979	[illegible] 1970
100	1977 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	84 7/8	4.84	11.76	8.84	101 1/2	90C 1981	
350	1978 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 4/1982	90 7/8	2.42	12.54	8.80			
125	1976 99.88	AUSTRALIA,COMMONWEALTH 8.125 15/11/1983 S	88 1/2	4.04	12.13	9.39	100	30 1982	

US DOLLARS—JAPAN (CONTINUED)

Issued/ Amt. o/s (mln)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/ to avge. life	Current yield	Yield to next call/ Next call price	Call ntc. (days)/ Next call date	Next S/F amount (mln)/ First S/F date
15	1977 / 99.00	C ITOH & CO (HK) INTL / 8.125 1/12/1984	85 1/2	5.09	12.10	9.50	101	30 / 1981	2.00 / PF1978
35	1976 / 100.00	C ITOH / 8.75 1/ 8/1981	92 3/8	1.75	13.87	9.47	100 1/2	30 / 1979	
20 / 4.7	1965 / 97.75	JAPAN DEVELOPMENT BANK / 6.50 15/11/1980 S	95	1.06 / .80	12.08 / 13.73	6.96	100	30 / 1979	.75 / 1967
100	1976 / 99.80	JAPAN DEVELOPMENT BANK / 8.25 15/ 7/1981 S	92 5/8	1.72	13.63	9.11			
50	1975 / 99.25	JAPAN DEVELOPMENT BANK / 8.50 15/ 3/1980 S	97 3/4	.37	15.36	8.88			
15 / 15.0	1977 / 99.00	JAPAN STEEL WORKS / 7.75 15/ 5/1984	87	4.54 / 3.04	11.56 / 13.21	8.91	102	30 / 1981	3.75 / 1981
20	1977 / 100.00	KAJIMA OVERSEAS(CURAGAO) / 7.625 15/ 5/1982	87 3/8	2.54	13.78	8.73	100 1/2	30 / 1980	
15	1977 / 99.75	KOMAGAI GUMI / 7.75 15/ 1/1982	87 3/8	2.21	14.81	8.87			
30	1976 / 100.00	LONG TERM CREDIT BANK / 8.25 1/ 5/1981	93 3/4	1.50	13.51	9.33	100 1/2	30 / 1979	
25	1975 / 99.50	LONG TERM CREDIT BANK / 9.00 15/ 6/1980	97 1/4	.62	13.65	9.25	100	30 / 1979	
20	1975 / 99.25	MARUBENI CORP / 9.75 1/ 3/1982	93	2.33	13.36	10.48	100 1/2	30 / 1980	2.00 / PF1976
10	1976 / 100.00	MATSUSHITA ELECTRIC MAN / 9.25 15/ 4/1981	93	1.46	14.80	9.95			
12	1974 / 98.50	MITSUBISHI RAYON / 9.00 1/ 4/1989	93	9.42	10.17	9.68	101 1/2	90 / 1982	.60 / PF1975
25	1976 / 100.00	MITSUI MINING & SMELTING / 9.25 26/ 2/1981	94	1.33	14.43	9.84			
30	1976 / 99.50	MITSUI ENG & SHIP / 8.75 1/ 9/1983	87 7/8	3.84	12.93	9.96	101 1/2	45 / 1980	
25 / 25.0	1977 / 100.00	MITSUI PETROCHEMICAL IND / 8.00 1/ 4/1984	85	4.42 / 2.98	12.59 / 14.54	9.41	101	30 / 1981	6.00 / 1981
20	1975 / 99.00	MITSUI SHIPBUILDING-ENG / 9.25 15/ 7/1980	95 5/8	.71	16.04	9.67			
20	1977 / 99.25	NOL INTERNATIONAL / 7.75 1/ 8/1984	82 7/8	4.75	12.75	9.35	101	450 / 1981	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]



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Austrian Quotes

Quotations and Yields of Austrian Eurobonds

Issue	Coupon dates	Repayment	Sinking fund (starting)	Price: Bid	Price: Asked	Current yield	Current yield to maturity
D-MARK BONDS							
6¾% Brenner Autobahn 1968 (G)	1.2-1.8	1.8.74-83	1.8.73	99	99½	6.80%	7.18%
6% Donaukraftwerke 1959 (G)	1.2-1.8	1.2.65-84	—	96½	97½	6.21%	6.85%
6¾% Donaukraftwerke 1973 (G)	1.3	1.3.73-87	1.12.77	94¼	94¾	7.14%	7.68%
7% Girozentrale Wien 1976	1.11	1.11.81	—	98¼	99	7.10%	7.56%
7¼% Girozentrale Wien 1976	1.11	1.11.83	—	98¼	99½	7.31%	7.50%
8¾% IAKW 1975 (G)	1.5	1.5.80-85	—	101½	102	8.61%	8.40%
6¾% Kelag 1973 (S)	1.5	1.5.79-88	1.2.78	95¼	95¾	7.07%	7.43%
8¾% Oester. Draukraftwerke 1975 (G)	1.3	1.3.81-85	—	104	105	8.37%	7.80%
7% Oester. Elektrizateswirt 1967 (G)	1.2-1.8	1.2.73-87	—	97¾	98¼	7.14%	7.44%
7% Rep. Oesterreich 1968	1.4-1.10	1.4.73-82	1.4.72	99½	100¼	7.01%	7.14%
6½% Rep. Oesterreich 1969	1.4-1.10	1.4.75-83	1.1.74	96½	96¾	6.74%	7.60%
9% Rep. Oesterreich 1975	1.2	1.2.83	—	101	101¼	8.90%	8.58%
8½% Rep. Oesterreich 1975	1.5	1.5.78-87	1.2.77	101¼	102¼	8.41%	8.14%
7¾% Rep. Oesterreich 1976	2.5 —	2.5.83-86	1.2.82	100	100¾	7.72%	7.68%
6¾% Rep. Oesterreich 1977	1.4	1.4.83-85	2.1.82	98¼	99	6.84%	7.03%
6½% Tauernkraftwerke 1968 (G)	1.3-1.9	1.9.74-83	1.9.73	97¾	98½	6.63%	7.09%
7% Tauernkraftwerke 1968 (G)	1.2-1.8	1.2.74-83	—	100	101	6.97%	6.95%
9½% Tauernautobahn 1974 (G)	1.7	1.7.81	—	102¾	103½	9.21%	8.03%
8½% Voest 1975	1.10	1.10.79-88	1.6.78	102½	103	8.28%	8.10%
8½% Voest 1973	1.6	1.6.81-85	—	101½	102½	8.34%	7.91%
6¾% Voest 1977	1.6	1.6.84-89	—	93¾	94¼	7.18%	7.60%
7% Wien 1968	1.6-1.12	1.6.74-83	1.6.73	99½	100	7.03%	7.20%
8¼% Wien 1975	1.8	1.8.79-84	—	100¾	101½	8.16%	7.99%
U.S.$ BONDS							
6% Rep. Austria 1964	31.1-31.7	31.1.71-84	3.1.70	97½	98	6.15%	6.67%
6¾% Rep. Austria 1967	15.3-15.9	15.3.72-82	15.3.71	97½	98	6.91%	7.72%
8¾% Rep. Austria 1976	15.8	15.8.78-90	15.8.77	86¾	87¼	10.06%	10.79%
6⅝% Aust. Electricity 1966 (G)	1.1-1.7	1.7.70-86	1.7.69	98½	99	6.72%	6.96%
6¾% Aust. Electricity 1967 (G)	1.4-1.10	1.10.71-82	1.10.70	98½	99	6.84%	7.28%
5¾% Alpine Montan 1965 (G)	15.6	15.6.72-85	15.6.71	92½	93½	6.18%	7.14%
8¼% Tauernautobahn 1977 (G)	15.3	15.3.83-87	15.3.82	85½	85¾	9.65%	10.94%
6½% Transalpine Fin. Hldg. 1966	31.10	31.10.70-85	31.10.69	91	92	7.10%	8.16%
6¾% Transalpine Fin. Hldg. 1966	31.7	31.7.70-85	13.7.69	93½	94½	7.18%	7.95%
6¾% Transalpine Fin. Hldg. 1967	31.1	31.1.73-82	31.1.72	96½	97½	6.98%	8.00%
6¾% Transalpine Fin. Hldg. 1967	30.4	30.4.74-83	30.4.73	95½	96½	7.05%	7.95%
7¼% Trans-Austria Gasline 1973	15.1	15.1.77-88	15.1.76	78½	80	9.46%	11.24%
DOMESTIC ISSUES							
8% Investitionsanleihe 1973/II/B	3.7	3.7.76-81 (102)	—	101¼	102	7.84%	7.80%
8½% Investitionsanleihe 1974/II/B	22.10	22.10.75-82	—	100½	100¾	8.44%	8.20%
8½% Investitionsanleihe 1975/III/B	28.10	28.10.76-84 (103)	—	101⅝	102⅜	8.33%	8.49%
8½% Investitionsanleihe 1975/S/III U.IV	27.11	27.11.79-85	—	102¾	103¼	8.25%	8.31%
8½% Investitionsanleihe 1976/S	20.2	20.2.81-86 (104)	—	102¼	102⅞	8.27%	8.41%
8% Investitionsanleihe 1976/S/II	2.7	2.7.83-86	—	98½	98¾	8.10%	8.24%
8% Investitionsanleihe 1977/S/III/B	2.6	2.6.82-87	—	98¼	98¾	8.11%	8.30%
8% Investitionsanleihe 1977/II/B	15.9	15.9.82-86	—	98½	98⅞	8.10%	8.24%
8% Investitionsanleihe 1978/II/C	7.6	7.6.86	—	98½	98⅞	8.11%	8.27%
7¾% Investitionsanleihe 1978/5/C	3.10	3.10.86	—	96¾	97¼	7.99%	8.33%
7¼% Investitionsanleihe 1979-87/II	13.10	13.10.87	—	94¼	95¾	7.53%	7.93%
8% Energieanleihe 1978/C	1.3	1.3.86	—	98½	99	8.08%	8.20%
8½% Wiener Stadtanleihe 1975/B	29.4	29.4.76-83	—	100	100⅝	8.46%	8.30%
8% Wiener Stadtanleihe 1977/B	10.5	10.5.82-87	—	98½	98⅞	8.10%	8.22%
8% Wiener Stadtanleihe 1978/I/C	3.5	3.5.86	—	98¼	98¾	8.12%	8.29%
8% Europaeische Investitionsbank 1976	20.10	20.10.80-86 (100.5)	—	98½	98⅞	8.10%	8.24%
7¾% Europaeische Investitionsbank 1978	22.12	22.12.86 (100.5)	—	96¾	97⅛	8.00%	8.34%
8% Inter-Am. Entwicklungsbank 1976	17.12	17.12.81-86	—	98½	98⅞	7.02%	7.68%
8% Tag Finco Anleihe 1976	19.11	19.11.81-86 (100)	—	98⅛	98⅞	8.12%	8.29%
8% Sparkassenanleihe 1977/S/B	26.7	26.7.80-83	—	99¼	99¾	8.02%	8.06%
7¾% Sparkassenanleihe 1978/S/C	4.7	4.7.86	—	97½	98	7.95%	8.24%

(R) Purchase for redemption purposes by issuer possible. The bonds so purchased may be used for repayment according to plan. (...) Repayment at a premium. (G) Government Guarantee. (S) Local Government Guarantee. Yield calculations are based on the middle price.

Market Maker in Austrian Eurobonds

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US DOLLARS-SWEDEN (CONTINUED)

Issued/ Est. O/S (MN)	Year of issue/ Issue price	Borrower/ Coupon Maturity		Price	Life/ Average life	Yield to maturity/ Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call amt. (mn)/ Next call date	Next SF amount (mn)/ First SF date
20 8.4	1966 97.25	L.M. ERICSSON 6.50 15/ 3/1986	S	90	6.37 3.37	8.75 10.32	7.35	101 1/2	90T 1980	1.20 1969
35	1976 100.00	L.M. ERICSSON 8.50 15/ 9/1983		87 5/8	3.88	12.72	9.70	101	45C 1980	
30 30.0	1977 100.50	L.M. ERICSSON 8.50 15/ 4/1989		83 5/8	9.46 6.46	11.40 12.29	10.16	101 1/2	45C 1982	2.00 DP1980
30 19.2	1970 99.50	L.M. ERICSSON 9.25 1/12/1985		94 1/4	6.09 3.63	10.57 11.28	9.81	100 1/4	45C 1980	2.25 1971
35 30.4	1976 100.00	L.M. ERICSSON 9.25 15/ 9/1991		85 7/8	11.88 10.39	11.48 11.66	10.77	101 1/2	45C 1984	1.10 DP1977
35	1976 100.00	MO OCH DOMSJO 9.00 15/10/1986		80	6.96	13.62	11.25	101 1/2	60 1981	1.20 DP1977
25	1976 100.00	MO OCH DOMSJO 9.50 15/ 2/1983		88 3/8	3.30	14.10	10.75	100 1/2	60 1980	1.00 DP1977
50	1977 99.25	SAAB-SCANIA 8.50 15/ 3/1989		78 3/8	9.37	12.53	10.85	101 1/2	30C 1983	2.50 DP1978
15 11.3	1971 98.50	SANDVIK 9.00 1/ 8/1986	S	89 1/4	6.75 4.35	11.63 12.63	10.34	102	45T 1981	.75 1973
30 25.5	1976 100.50	SANDVIK 9.50 15/ 4/1986		88 1/2	6.46 4.63	12.14 12.92	10.73	102	45 1981	1.50 1977
30 26.0	1972 100.25	SCANRAFF 7.50 15/12/1990		79 1/2	11.13 7.18	10.74 11.90	9.43	100 3/8	30 1980	1.00 DP1975
30 26.5	1973 99.75	SCANRAFF 8.625 15/10/1988		83 1/2	8.96 6.81	11.69 12.35	10.33	100 3/8	30 1979	1.00 DP1975
40 37.0	1976 100.00	SKANDINAVISKA ENSKILDA 9.00 1/12/1991		83	12.09 7.51	11.69 12.64	10.84	102	30 1982	1.50 1977
30 27.0	1977 100.50	SKF 8.00 15/ 1/1987		78 3/4	7.21 5.17	12.65 14.03	10.16	101	30 1982	1.88 DP1978
20 20.0	1976 99.50	SODRA SKOGSAGARNA 9.50 15/12/1986		80 1/2	7.13 4.73	13.98 15.64	11.80	101 1/2	45 1981	3.00 1981
20 16.5	1976 99.50	SPARBANKERNAS BANK 8.75 1/ 9/1983		91 1/2	3.84 2.38	11.60 13.14	9.56	101	90C 1981	4.00 1979
30 27.5	1977 100.00	SPARBANKERNAS BANK 8.75 15/ 1/1988		87 7/8	8.21 4.28	11.06 12.56	9.96	101	90C 1983	3.00 1979
40	1977 100.50	STATSFORETAG 7.75 1/ 2/1982		90 1/8	2.26	13.04	8.60			
30	1975 99.00	STATSFORETAG 9.25 15/ 9/1980		96 1/8	.88	14.18	9.62	100	1979	
50 50.0	1977 100.00	STOCKHOLM,CITY OF 8.875 15/ 2/1992	S	83 3/4	12.30 7.80	11.68 12.52	10.88	12.90 102.05	30 1987	3.00 DP1983
60 60.0	1979* 99.00	STOCKHOLM,CITY OF 9.75 15/ 3/1994	S	88 1/8	14.37 9.87	11.78 12.16	11.37	12.94 103.37	30 1987	6.00 DP1985
30 27.5	1976 99.00	SVENSKA HANDELSBANKEN 9.25 1/ 3/1986		89 3/8	6.33 4.48	11.69 12.46	10.35	101	90C 1981	1.00 1977
25 14.2	1976 100.00	SWEDISH EXPORT CREDIT 7.875 15/10/1983	P S	88 1/2	3.96 2.18	11.55 14.07	8.89	101	30C 1980	1.80 1977
25 11.0	1975 99.00	SWEDISH EXPORT CREDIT 9.00 15/ 4/1982		94 1/4	2.46 1.50	11.77 13.37	9.55	100 1/2	30 1979	3.50 1976
20 20.0	1979* 100.00	SWEDISH EXPORT CREDIT 9.50 15/ 4/1986	P S	94	6.46 3.70	11.11 11.87	10.36	101 1/2	30C 1982	1.43 1980
15 12.0	1973 100.00	SWEDISH INVESTMENT BANK 7.50 15/ 1/1988		82	8.21 4.92	10.92 12.63	9.15	101	45C 1981	.50 1974
15 13.0	1972 99.00	SWEDISH INVESTMENT BANK 7.75 1/11/1987		87 1/4	8.01 4.71	10.15 11.41	8.88	101	45C 1980	.50 1973
15 15.0	1976 100.00	SYDKRAFT 9.25 15/ 9/1986		88 3/4	6.88 4.68	11.71 12.57	10.42	101 1/2	60 1981	2.00 1981
30 20.8	1976 100.00	UDDEVALLAVARVET 7.75 1/12/1983	P S	90 1/4	4.09 2.10	11.05 13.48	8.77	101	90C 1980	2.30 1977
23 23.0	1977 100.00	UDDEVALLAVARVET 7.75 15/ 9/1984	P	86 3/8	4.88 3.79	11.53 12.47	8.97	101	30 1981	2.30 1980
25 21.4	1972 100.50	VOLVO 8.00 1/ 9/1987		79 3/8	7.84 5.29	12.23 13.74	10.08	101 1/2	60 1980	1.20 DP1977
35	1977 100.00	VOLVO 8.00 1/ 3/1987		78 5/8	7.33	12.61	10.17	101 1/2	60 1982	1.75 DP1978
25	1973 99.50	VOLVO 9.50 1/ 3/1985		94 1/2	5.33	10.88	10.05	101 1/2	60 1980	1.25 DP1976

US DOLLARS-SWITZERLAND

Issued/ Est. O/S (MN)	Year of issue/ Issue price	Borrower/ Coupon Maturity		Price	Life/ Average life	Yield to maturity/ Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call amt. (mn)/ Next call date	Next SF amount (mn)/ First SF date
35 11.7	1971 100.00	ALUSUISSE INT 7.00 1/ 7/1981	XW	93	1.67 1.17	11.80 13.88	7.53	100 1/2	1979	7.83 1976
75	1977 100.00	FIAT FIN CORP 8.00 1/ 8/1982		88 3/8	2.75	13.27	9.05	100 1/2	300 1981	
35 28.0	1972 98.50	SWISS ALUMINIUM AUST LTD 8.00 1/ 7/1987		82	7.67 4.17	11.66 13.97	9.76	102	30 1981	3.30 1978

US DOLLARS-VENEZUELA

Issued/ Est. O/S (MN)	Year of issue/ Issue price	Borrower/ Coupon Maturity		Price	Life/ Average life	Yield to maturity/ Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call amt. (mn)/ Next call date	Next SF amount (mn)/ First SF date
15 1.0	1965 99.00	VENEZUELA,REPUBLIC OF 6.25 15/ 4/1980	S	96	.46	11.12	6.48	100	30 1979	1.00 DP1966
100	1977 99.50	VENEZUELA,REPUBLIC OF 7.875 15/ 6/1982	S	88 3/8	2.62	13.69	9.11			
100	1977 99.50	VENEZUELA,REPUBLIC OF 9.00 15/ 2/1984		85 5/8	4.30	12.50	9.34	101	30 1981	
100	1977 99.75	VENEZUELA,REPUBLIC OF 8.125 15/10/1984	S	84 3/8	4.96	12.83	9.86	13.77 100	30 1980	
50 50.0	1977 99.50	VENEZUELA,REPUBLIC OF 8.75 15/10/1992	S	82 1/8	12.96 8.46	11.75 12.57	10.94	12.60 101.91	30 1987	5.00 DP1983
15 10.8	1972 100.00	VENEZUELA TEL. 8.25 15/12/1987	S	87	8.13 5.25	10.86 11.96	9.71	101	30 1980	.35 DP1973

US DOLLARS-UTD KINGDOM

Issued/ Est. O/S (MN)	Year of issue/ Issue price	Borrower/ Coupon Maturity		Price	Life/ Average life	Yield to maturity/ Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call amt. (mn)/ Next call date	Next SF amount (mn)/ First SF date
200	1978 100.00	UNITED KINGDOM 8.50 1/ 5/1985	S	88 1/8	5.50	11.50	9.88	12.35 100	30 1984	
150 150.0	1978 99.00	UNITED KINGDOM 8.875 1/ 5/1993	S	85 5/8	13.50 9.49	11.24 11.72	10.63	12.06 101.82	30 1988	16.70 DP1985
30 27.0	1973 100.00	AIRLEASE INT FIN 8.75 1/10/1988		90 1/4	8.92 4.92	10.48 11.44	9.70	102	60 1980	3.00 DP1979
20 14.0	1971 100.00	AIRLEASE INT FIN 9.00 1/ 8/1986		90 3/4	6.73 3.75	10.89 12.18	9.92	102	60 1981	2.00 DP1975
30 30.0	1979* 99.00	ALEXANDER HOWDEN FIN 9.50 1/ 8/1991	WW	84 5/8	11.58 8.32	12.00 12.51	11.23	102	30 1985	2.00 DP1984
30 30.0	1979* 99.00	ALEXANDER HOWDEN FIN 9.50 1/ 8/1991	XW	76 3/4	11.58 8.32	13.57 14.37	12.38	102	30 1985	2.00 DP1984
60 45.0	1977 100.50	ASHLAND OIL (GB) 7.50 1/ 5/1982		91 3/4	2.50 1.50	11.42 13.86	8.17	101 1/2	30 1979	15.00 1979
20 15.9	1972 99.50	B.I.C.C. FIN 7.75 1/ 2/1987		81 3/4	7.26 4.01	11.39 13.94	9.48	102	60C 1982	1.35 DP1975
30 24.0	1971 100.00	BARCLAYS BANK INT 8.25 1/12/1986		85	7.09 3.59	11.45 13.85	9.71	102	60 1979	3.00 DP1977

US DOLLARS-UTD KINGDOM (CONTINUED)

US DOLLARS-UTD KINGDOM (CONTINUED)

US DOLLARS-UNITED STATES (CONTINUED)

US DOLLARS-UNITED STATES (CONTINUED)

Issued/ Est. O/S (MN)	Year of issue/ Issue price	Borrower/ Coupon Maturity		Price	Life/ Average life	Yield to maturity/ Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call amt. (mn)/ Next call date	Next SF amount (mn)/ First SF date
20	1971	KIMBERLY-CLARK INT. FIN.		94 1/8	6.46 3.92	9.73 10.38	9.03	100 1/4	30 1979	1.60 DP1976

US DOLLARS-UNITED STATES (CONTINUED)

US DOLLARS-MULTINATIONAL

US DOLLARS-SUPRANATIONAL

US DOLLARS-SUPRANATIONAL (CONTINUED)

US DOLLARS-SUPRANATIONAL (CONTINUED)

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US DOLLARS-SUPRANATIONAL (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
300	1975 100.00	WORLD BANK 8.30 15/ 7/1980 S	96	.71	14.30	8.83			
250	1975 100.00	WORLD BANK 8.35 15/12/1980 S	94 7/8	1.13	13.83	8.99			
250 250.0	1977 100.00	WORLD BANK 8.35 1/ 8/2002 S	78 1/4	22.75 16.99	11.26 11.56	10.96	102 1/2	30 1990	10.00 DF1990
250	1976 100.00	WORLD BANK 8.375 1/ 7/1986 S	85 5/8	6.67	11.85	10.02			
250 250.0	1976 99.53	WORLD BANK 8.375 1/12/2001 S	78 3/8	22.09 16.33	11.30 11.62	10.97	102 1/2	30 1989	10.00 DF1989
200	1975 100.00	WORLD BANK 8.60 15/ 7/1985 S	88	5.71	11.85	10.01			
250	1975 100.00	WORLD BANK 8.85 15/12/1985 S	88 1/2	6.13	11.84	10.25			
250 250.0	1976 100.00	WORLD BANK 8.85 1/ 7/2001 S	82 1/8	21.67 15.91	11.34 11.61	11.07	102 3/4	30 1989	10.00 DF1989
250 250.0	1975 100.00	WORLD BANK 9.35 15/12/2000 S	86 3/8	21.13 15.37	11.33 11.54	11.12	12.49 102 3/4	30 1988	10.00 DF1988

US DOLLARS-FLOATING RATE

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
25 21.5	1975 100.00	ADELA INVESTMENT 8:1-3/8 12.188 8/ 1/1983 S	99 7/8	3.19 2.06		12.20	100	30C 1980	2.00 1979
40	1978 100.00	AFRICAN DEV BANK 7:1/4 11.50 27/ 7/1983 S	96 3/4	3.74		11.89	100	30C 1981	
25	1978 100.00	ALAHLI BK KUWAIT 5.5:1/4 11.938 23/ 8/1983 S	97 3/8	3.81		12.26	100	30C 1980	
30	1977 100.00	ALLIED IRISH BK 6.75:1/4 13.063 24/ 3/1984 S	98 3/4	4.40		13.23	100	30C 1981	
40	1978 100.00	AMERICAN EXP INT 1/4 14.688 20/ 4/1982 S	99 3/4	2.47		14.72	100	30C 1980	
30	1977 100.00	ANDELSBANKEN 7.0:1/4 11.063 2/ 6/1984 S	99	4.59		11.17	100	360C 1981	
25	1978 100.00	ARAB INTL BANK 6.5:3/8 11.75 31/ 7/1983 S	97 1/4	3.75		12.08	101	40C 1981	
20	1978 100.00	ARAB-MALAY DEV 7.5:1/4 14.688 12/10/1983 S	98 1/2	3.95		14.81	101	45C [illegible]	
30	1979* 100.00	BBL (CAYMAN) LTD 6.5:1/4 10.938 25/ 6/1984 S	96 1/4	4.65		11.36			
80	1976 100.00	B.C.I. 7.75:1/4 15.063 14/ 4/1981 S	99 3/4	1.35		15.10	100	30 1979	
25	1976 100.00	B.F.C.E. 6.5:1/4 15.75 27/10/1983 S	99 3/4	3.99		15.79	100	20 1980	
30	1977 100.00	B.F.C.E. 6.375:1/4 11.938 23/ 8/1984 S	98 5/8	4.81		12.10	100	20C 1981	
35	1979* 100.00	BANCO DE CHILE 6.5:1/4 12.50 31/ 1/1986 S	96 1/8	[illegible]		11.96			
50	1979* 100.00	BANCO DI ROMA INT 16:1/4 15.75 26/ 4/1987 S	99	7.49		15.91	100	30C 1983	
40	1977 100.00	BANCO DO BRASIL 6.75:1/4 11.875 15/ 2/1982 S	98 5/8	2.30		12.04	100	60 1979	
25	1978 100.00	BCO CENT DE SALV 8:1-1/4 15.688 12/10/1983 S	98 3/4	3.95		16.01			
30	1978 100.00	BANCO NAC ARGENT 8:1/4 11.25 21/ 7/1983 S	96 1/8	3.72		11.70	100	30 1981	
50	1979* 100.00	BANCO NAC ARGENT 7:1/4 13.188 22/ 3/1986 S	96 1/4	6.39		13.70	100	30C 1983	
50	1979* 100.00	BCO NAC DESEN ECON 6:1/4 13.375 21/ 6/1989 Q	95 1/8	9.64		14.06	100	45C 1983	
30	1979* 100.00	BCO PROV B.A. 17.75:1/4 11.00 5/ 6/1986 S	97 1/4	6.60		11.31	100	30C 1982	
25	1978 100.00	BANCO UNION 7.75:1/4 12.938 1/ 4/1983 S	96 3/8	3.46		13.42	100	30 1981	
30	1979* 100.00	BANK BUMI DAYA 6.25:1/4 15.00 23/ 4/1984 S	98 3/8	4.46		15.21	100	30C 1982	
100	1978* 100.00	BNG FIN CO L 5.5:1/4 11.00 10/ 1/1989 S	96 7/8	9.20		11.35	100	30C 1981	
30	1976 100.00	BANK HANDLOWY 8.25:1-1/4 11.813 10/ 6/1981 S	99	1.61		11.93	100 1/2	45C 1980	
30 30.0	1978 100.00	BANK HANDLOWY 18:1-1/8 11.875 25/ 5/1988 S	98	8.37 6.57		12.12	101	60C 1981	6.00 1984
30 30.0	1979* 100.00	BANK HANDLOWY 17.5:1-1/8 12.188 10/ 3/1989 S	96 1/2	9.78 7.78		12.63	101	60C 1982	6.00 1985
40	1975 100.00	BANK OF TOKYO 8:1/4 11.313 19/11/1980 S	99 7/8	1.05		11.33	100	30C 1980	
35	1976 100.00	BANK OF TOKYO 6.75:1/4 14.688 20/10/1981 S	99 3/4	1.97		14.72	100	30C 1980	
60	1977 100.00	BANK OF TOKYO 6.5:1/4 11.50 15/11/1984 S	99 7/8	5.04		11.51	100	30C 1981	
50	1979* 100.00	BANK OF TOKYO 5.25:1/8 16.188 25/10/1989 Q	98 3/8	9.99		16.45	100	30C 1982	
30	1978 100.00	BANK OF TOKYO 5.5:1/4 14.938 18/10/1993 S	97	13.97		15.40	100	30C 1983	
30	1978 100.00	BANQUE WORMS 5.75:1/4 10.375 15/ 6/1985 S	97 3/4	5.62		10.61	100	30C 1981	
30	1976 100.00	B.U.E. :1/2 11.813 20/ 8/1981 S	98 7/8	1.81		11.95	100	15C 1980	
35	1978 100.00	BQUE EXT D'ALG 8.375:3/4 11.875 8/ 8/1984 S	97 3/4	4.78		12.15	100	30C 1981	1.00 DF1979
40	1978 100.00	BQUE EXT D'ALGER 7.5:5/8 11.875 2/11/1985 S	96	6.01		12.37	100	30C 1980	
30	1977 100.00	BQUE NAT D'ALGE 7.75:3/4 15.563 15/10/1982 S	98 3/4	2.86		15.76	100	60C 1980	
30	1976 100.00	BAYER VEREINS 1/4 10.938 1/ 6/1981 S	99 3/8	1.59		11.01	100	40 1979	
75	1976 100.00	B.N.P. 7:1/4 12.563 1/ 3/1983 S	99 1/8	3.36		12.67	100	1980	
50	1975 100.00	B.N.P. 7.5:1/4 13.125 18/ 9/1981 S	99 1/4	1.88		13.16	100	1980	
70	1977 100.00	B.N.P. 5.75:1/4 11.188 21/ 1/1983 S	99 1/8	3.23		11.29	100	1980	
75	1978 100.00	B.N.P. 1 1/4 11.813 21/ 2/1984 S	98 7/8	4.31		11.95	100	30 1982	
125	1979* 100.00	B.N.P. 5.5:1/4 11.938 22/ 2/1991 S	96 3/4	11.32		12.34	100	1983	
40	1978 100.00	BQUE INDO/SUEZ 5.5:1/4 11.50 25/ 7/1985 S	98 1/2	5.73		11.68	100	30C 1981	
40	1979* 100.00	BQUE INDO SUEZ 5.25:1/4 11.00 10/ 7/1989 S	97 3/4	9.69		11.25	100	30C 1982	

US DOLLARS-FLOATING RATE (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
20	1978 100.00	BQUE INT AFR OCC 6.5:1/4 11.00 12/ 7/1983 S	97 1/8	3.70		11.33	100 1/2	60C 1981	
20	1977 100.00	BQ LOUIS-DREYFUS 6.5:3/8 13.25 9/ 3/1983 S	98 3/4	3.36		13.42	100	60C 1980	
30	1979* 100.00	BANQUE SUDAMERIS 6:1/4 11.125 1/ 7/1987 S	96 1/4	7.67		11.56	100	[illegible] 1982	
35	1977 99.00	BEOGRADSKA BANKA 8:1.0 16.50 27/ 4/1983 S	99	3.49		16.67			[illegible] DF1978
20 20.0	1979* 100.00	CABEI 7:1/2 13.488 3/ 4/1994 S	95	14.42 8.42		14.14	102	30C 1982	.80 1982
20	1979* 100.00	C.A CAVENDES 7-1/2:1/2 11.75 1/ 8/1986 Q	97 5/8	6.75		12.04	100	30C 1982	2.00 DF1980
50 50.0	1978 100.00	C.C.C.E. 5.25:1/4 11.438 3/ 8/1998 S	96 3/8	18.76 11.76		11.87	100	60C 1988	3.33 1984
30	1976 100.00	C.C.F. 7:1/4 11.125 8/ 7/1983 S	99 1/8	3.69		11.22	100	30C 1980	
25	1975 100.00	C.C.F. 7.5:1/4 10.938 22/12/1981 S	99 7/8	2.15		10.95	100	30C 1979	
35	1977 100.00	C.C.F. 6.5:1/4 11.00 8/ 7/1983 S	99	3.69		11.11	100	60C 1980	
45	1978 100.00	C.C.F. 5.75:1/4 11.438 3/ 5/1985 S	99 5/8	5.51		11.48	100	30C 1981	
150	1978 100.00	CHASE MAN O/S 5.25:1/8 11.375 27/ 7/1993 S	97	13.74		11.73	100	30C 1983	
300	1979* 100.00	CITICORP O/S 11.875 23/ 2/1983 Q	99 7/8	3.31		11.95			
100	1979* 100.00	CITICORP O/S FIN 6:1/4 12.813 8/ 3/1994 Q	99	14.35		12.94	101 1/2	30C 1985	
50	1979* 100.00	CITY INVESTING FIN 1/2 11.813 1/ 8/1986 S	94 1/2	6.75		12.50	100	30C 1982	2.00 DF1980
20 20.0	1978 100.00	COSTA RICA,REP 8.5:1-1/4 14.625 10/ 4/1985 S	100	5.44 3.45		14.63			2.22 1981
75 75.0	1978 100.00	CREDIT NATIONAL 5.25:1/8 11.00 11/ 7/1988 S	96 1/2	8.70 6.70		11.40	101	60C 1984	15.00 1984
50	1977 100.00	CREDIT AGRICOLE 6.5:1/4 10.438 15/12/1984 S	99 3/8	5.13		10.50	100	30C 1980	
40	1977 100.00	CREDITANSTALT 5.75:1/4 11.25 18/ 5/1984 S	99 5/8	4.53		11.29	100	30C 1980	
80	1979* 100.00	CREDITANSTALT 15.5:1/4 12.938 14/ 6/1991 Q	98 1/8	11.62		13.18	100	45C 1982	
75	1976 100.00	CREDIT LYONNAIS 7.00:1/4 11.438 6/ 2/1982 S	98 3/4	2.27		11.58	100	30C 1980	
80	1977 100.00	CREDIT LYONNAIS 6.0:1/4 11.375 10/ 2/1983 S	98 5/8	3.28		11.53	100	30 1980	
30	1977 100.00	CREDIT LYONNAIS 6.5:1/4 11.00 24/ 6/1983 S	98 7/8	3.65		11.13	100	30 1980	
80	1976 100.00	DG BANK FIN 6.25:1/4 10.375 15/12/1982 S	99 1/4	3.15		10.45	100	30C 1979	
[illegible]	1977 100.00	DOW BANKING CORP 6.5:1/4 11.50 2/ 8/1982 S	97 3/4	2.76		11.76	100	1980	
225 60.0	1970 100.00	ENEL 7.5:3/4 11.625 31/ 5/1980 S	100	.56		11.63	100	30C 1979	60.00 1971
25	1978 100.00	EMPRESOL (N24) 7:1/2 13.688 21/ 9/1986 S	98 3/4	6.89		13.86	100	30C 1980	
35 26.3	1974 100.00	ESCOM 8.5:1.0 12.625 15/ 8/1982 S	99 1/8	2.79		12.74	100	30C 1980	8.00 1975
100 100.0	1979* 100.00	FIAT FIN CORP 6:1/8 14.938 17/10/1991 S	96 7/8	11.96 9.96		15.42	100	30C 1981	20.00 1987
50 40.0	1977 100.00	GAS AREA SIRES 7.5:1-1/4 12.125 31/ 5/1982 S	100 3/8	2.58 1.58		12.08			5.00 1978
25 13.0	1970 100.00	GENERAL CABLES 7.5:1.0 13.75 30/ 9/1980 S	100	.92 .84		13.75	100	30C 1980	[illegible] 1972
[illegible]	1976 100.00	GENOSSEN ZENTRAL 7.5:1/4 11.50 31/ 7/1981 S	99 3/8	1.75		11.57	100	30C 1980	
40	1977 100.00	GENOSSEN ZENTRAL 6.0:1/4 13.50 6/ 4/1983 S	98 1/8	3.43		13.62	100	30C 1980	
40	1979* 100.00	GENOSSEN ZENTRAL 5.5:1/4 11.438 1/ 8/1989 Q	98 1/2	9.75		11.61	100	30C 1983	
25	1978 100.00	GOTABANKEN 6:1/4 11.50 15/11/1988 S	98 1/2	9.04		11.68	100	30C 1983	
30	1979* 100.00	HILL SAMUEL GRP 5.25:1/4 14.625 19/ 1/1992 S	97 1/8	12.22		15.06	100	30C 1983	
75	1977 100.00	HYDROCARBONS BK 7.5:3/4 11.375 22/12/1982 S	99 5/8	3.15		11.42	100 1/2	30C 1980	
18 18.0	1979* 100.00	IBERPISTAS 7:3/4 11.625 11/ 7/1986 S	94 7/8	6.70 5.82		12.25	100	30C [illegible]	2.25 1983
75	1979* 100.00	IC INDUSTRIES FIN 3/8 11.125 13/ 7/1991 S	96	11.71		11.59	100	30C 1982	2.65 DF1980
50	1977 100.00	INDUST BNK-JAPAN 6.0:1/4 11.563 15/ 2/1982 S	98 3/4	2.30		11.71	100	30 1980	
50	1977 100.00	INDUST BNK-JAPAN 6.5:1/4 11.313 1/11/1982 S	99 3/4	3.01		11.34	100	30 [illegible]	
50	1978* 100.00	INDUST BNK-JAPAN 5.5:1/4 10.938 1/12/1985 S	98 5/8	6.09		11.09	100	30C 1982	
25 4.1	1970 100.00	INSILCO 7.5:1.0 12.25 31/ 7/1980 S	99 3/8	.75		12.30	100	60C 1980	13.00 1971
120	1977 100.00	INT WESTMINSTER BK 6:1/4 14.688 20/ 4/1984 S	99 1/4	4.47		14.80	100	60C 1981	
50	1978 100.00	IKESKANSALLIS-K 5.75:1/4 13.75 27/ 4/1985 S	99 1/2	3.49		13.82	100	30C 1981	
20	1977 99.00	JUGOBANKA 7.5:1.0 12.375 1/ 8/1983 S	99	3.75		12.50			[illegible] DF1978
50 50.0	1979* 100.00	JUGOBANKA 8:7/8 11.875 23/ 5/1989 S	95 1/8	9.56 8.06		12.48			5.00 1984
30	1977 100.00	KANSALLIS-OSAKE 6.5:1/4 11.25 20/ 7/1983 S	99	3.72		11.36	100	30C 1980	
25	1979* 100.00	KRUNG THAI(CAY) 6.75:1/4 11.875 1/ 8/1984 S	96 1/8	4.75		12.35			
30 30.0	1978 100.00	LJUBLJANSKA BKA 7.75:1.0 11.875 19/ 7/1985 S	97 1/2	5.72 4.22		12.18	102	60C 1981	7.50 1982
75	1976 100.00	LLOYDS EUROFIN 7.25:1/4 11.125 31/ 5/1983 S	99 5/8	3.58		11.17	100	30C 1980	
30	1976 100.00	LONG TERM CRED 6.25:1/4 10.375 15/12/1981 S	99 1/2	2.13		10.43	100	30C 1979	
40	1977 100.00	LONG TERM CRED 6.375:1/4 11.375 27/ 7/1982 S	98 7/8	2.74		11.50	100	30C 1980	
60	1978 100.00	LONG TERM CRED 6:1/4 11.813 15/ 2/1983 S	98 3/8	3.30		11.98	100	30C 1981	

US DOLLARS-FLOATING RATE (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
75	1978 100.00	LONG TERM CRED 5.25:1/4 11.625 9/11/1985 S	99 1/8	6.03		11.73	100	30C 1981	
50	1979* 100.00	LONG TERM CRED 5.5:1/4 11.125 7/ 6/1989 S	98 1/8	9.60		11.34	100	30C 1984	
100	1979* 100.00	MAN HAN O/S CAP 5.25:1/8 12.563 23/ 5/1994 Q	99	14.56		12.69	100	30C 1984	
50	1976 100.00	MIDLAND BANK 7.5:1/4 11.875 18/ 2/1983 S	99 3/8	3.30		11.95	100	30C 1980	
50	1975 100.00	MIDLAND BANK 8.0:1/4 11.50 12/11/1982 S	100	3.04		11.50	100	30C 1980	
50	1977 100.00	MIDLAND INTL FIN 6:1/4 11.375 13/ 5/1987 S	99 1/8	7.55		11.48	100	30C 1983	
125	1978 100.00	MIDLAND INTL FIN 5.5:1/4 11.25 20/ 7/1993 S	96 5/8	13.72		11.64	100	30C 1983	
100	1979* 100.00	NACIONAL FIN 6.25:1/4 11.50 25/ 7/1986 S	96 1/2	6.73		11.92	100	30C 1983	
100	1977 100.00	NACIONAL FINANCIERA 16:1 11.688 5/ 1/1993 S	100 3/8	13.18		11.64			
150	1978 100.00	NATIONAL WEST 5.5:1/4 11.00 21/ 6/1990 S	97 1/2	10.64		11.28	100	45 1982	
100	1979* 100.00	NATIONAL WEST 5.25:1/4 14.938 11/ 4/1994 S	97 1/2	14.45		15.32	100	45C 1983	
100	1979* 100.00	NATIONAL DE TEL 5.25:1/4 15.188 16/10/1986 S	99 1/4	6.96		15.30	100	60C 1982	
20	1978 100.00	NIPPON CREDIT 5.75:1/4 13.063 15/ 3/1983 S	99 1/4	3.37		13.16	100 1/2	30 1981	
30	1978* 100.00	NIPPON CREDIT BK 5.5:1/4 10.938 22/12/1985 S	98 5/8	6.15		11.09	100	30C 1982	
50	1979* 100.00	NIPPON CREDIT BK 6.5:1/8 10.875 12/ 7/1986 S	96 3/4	6.70		11.24	100	30C 1983	
100 100.0	1978 100.00	OFFSHORE MINING CO 1/4 11.063 19/ 7/1986 S	97 1/8	6.72 6.54		11.39	100	30C 1980	25.00 1985
40	1976 100.00	OSTERREICHE KONT 6.5:1/4 11.313 17/11/1982 S	99 7/8	3.05		11.33	100	30C 1980	
50	1978 100.00	OSTERR KONTRL L 5.75:1/4 12.175 18/10/1988 S	101 1/4	8.97		12.02	100	30C 1981	
70 70.0	1978 100.00	PANAMA,REPUBLIC OF 7:1 13.50 31/ 8/1990 S	96 7/8	10.84 6.56		13.94			3.50 1981
50 50.0	1979* 100.00	PANAMA,REPUBLIC OF 7:5/8 11.50 19/ 7/1991 S	95 1/4	11.72 8.17		12.07	100	60C 1982	2.50 1983
25	1975 100.00	PARIBAS 7.25:1/4 10.938 9/12/1980 S	99 1/2	1.11		10.99	100	30C 1979	
100	1979* 100.00	PETROLEOS MEXICANO 7:1/4 11.438 24/ 1/1984 S	97 3/4	4.24		11.70			
100	1979* 100.00	PHILIPPINES,REP 6.5:1/4 15.00 18/10/1986 S	98 3/4	6.97		15.50	100	30C 1983	
35	1976 100.00	POPULAR ESP INT 7.25:1/4 11.125 30/11/1981 S	99 1/2	2.08		11.18	100	30C 1979	
20	1979* 100.00	PICA 7:1/2 11.688 8/ 2/1986 S	95 1/4	6.28		12.27	100	30C 1984	
25 25.0	1977 99.00	PRIVREDNA BANKA 8:1-1/4 12.00 6/ 1/1985 S	97	5.19 3.78		12.37			2.50 1981
50 50.0	1978* 100.00	PRIVREDNA BANKA 8:7/8 11.563 22/12/1986 S	95	7.15 4.89		12.17	101	45C 1983	5.00 1982
30	1976 100.00	ROYAL BANK-SCOT 7.75:1/4 11.688 6/ 5/1983 S	99 7/8	3.52		11.70	100	30C 1980	
75	1979* 100.00	ROYAL BNK-SCOT 15.25:1/4 14.938 11/ 7/1994 Q	98 7/8	14.70		15.11	100	30C 1983	
20	1979* 100.00	SIAM COMMERCIAL 7.5:1/4 13.125 19/ 8/1984 S	97 1/2	4.89		13.46	100	30C 1982	
50 47.0	1978 100.00	S.N.T.E. 8:3/4 13.813 5/ 4/1983 S	99 5/8	3.43 3.05		13.86	100 1/2	60 1981	3.00 1979
50 36.0	1974 100.00	S.T.T.E. 8:3/4 11.625 7/ 8/1984 S	99 3/4	4.60 3.49		11.65	100	60C 1980	4.00 1975
50	1977 100.00	S.K.C.F. 6.25:1/4 11.563 2/ 2/1997 S	97 7/8	17.26		11.81	100	60C 1980	
20	1979* 100.00	SOC CENT DE BQUE 6.5:1/4 13.25 3/10/1987 S	97 1/2	7.89		13.64	100	30 1982	
80	1977 100.00	SOCIETE GENERALE 3/8 13.063 1/10/1984 S	98 3/4	4.92		13.23	100	60 1981	
50	1979* 100.00	SOCIETE GENERAL 5.25:1/4 14.688 12/ 7/1991 Q	98	11.70		14.99	100	30C 1982	
50	1979* 100.00	SOGENAL 15.75:1/4 10.813 13/ 7/1989 S	96 5/8	9.70		11.19	100	30C 1983	
50	1977 100.00	STANDARD CHART 6.25:1/4 11.125 31/ 5/1984 S	99 3/8	4.55		11.19	100	30C 1981	
100	1978 100.00	STANDARD CHART 5.5:1/4 11.375 10/ 8/1990 S	96 3/4	10.78		11.76	100	30C 1983	
15	1977 100.00	SUMITOMO BANK 5.5:1/4 11.50 12/ 5/1980 S	100	.53		11.50			
35	1978 100.00	SUMITOMO HEAVY 5.75:1/4 13.063 16/ 3/1983 S	99 3/4	3.38		13.10	100	30C 1981	
30	1979* 100.00	SUMITOMO HEAVY 5.5:1/4 13.063 13/ 9/1984 Q	98 3/4	4.87		13.23	100	30C [illegible]	
30	1978 100.00	SUNDSVALLSBANKEN 6:1/4 13.313 4/10/1983 S	97 3/8	3.93		13.67	100	30C 1982	
150	1979* 100.00	SWEDEN,KINGDOM OF 1/4 15.00 18/10/1991 Q	97 1/4	11.97		15.42	100	30C 1984	
35	1979* 100.00	TEXAS INT AIR CAP 7:1/4 15.563 11/ 4/1986 Q	95 1/2	6.45		16.30	100	30C 1982	2.00 DF1980
35	1979* 100.00	THAI FARMER INT 7.25:1/4 11.00 21/ 6/1984 S	96 7/8	4.64		11.35	100	30C 1982	
30	1979* 100.00	THAILAND,KINGDOM 7:1/4 13.063 13/ 3/1984 S	97 3/8	4.37		13.41			
40	1979* 100.00	TRADE DEV FIN SERV 6:1/4 11.875 21/ 8/1986 S	95 1/2	6.81		12.43	100	45C 1982	
30	1979* 100.00	TWO TOWER (D-LOCK) 9:1/4 11.125 24/ 5/1991 S	97 1/4	11.56		11.44	101	30C 1984	
[illegible]	1977 100.00	U.B.A.F. 7.25:1/4 11.125 7/12/1982 S	99 1/8	3.10		11.22	100	45 1980	
15	1976 100.00	U.B.A.F. 7.5:1/4 10.938 3/ 6/1981 S	99 3/8	1.59		11.01	100	30 1979	
25	1977 100.00	U.B.A.F. 6.75:1/4 13.063 23/ 3/1982 S	99	2.38		13.19	100	45 1980	
30	1977 100.00	UNION BK-FINLAND 6.5:1/4 14.75 20/ 4/1982 S	99 1/2	2.47		14.82	100	30C 1980	
25	1976 100.00	UNITED OVERSEAS BK 7:1/4 11.00 24/11/1981 S	99 1/2	2.07		11.06	100	30C 1980	

US DOLLARS-FLOATING RATE (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
25	1978 100.00	UNITED OVERSEAS BK 6:1/4 11.438 4/ 5/1983 S	99 1/2	3.51		11.49	100	30C 1981	
25	1979* 100.00	UNITED OVERSEAS BK 6:1/4 12.938 29/ 3/1989 Q	97 3/8	9.41		13.29	100	30C 1984	
35	1976 100.00	URQUIJO INTL 7.25:1/4 11.00 21/12/1981 S	99 1/2	2.14		11.06	100	30C 1979	
30	1979* 100.00	URQUIJO INTL 6:1/4 13.375 21/ 3/1986 S	97 3/8	6.39		13.74	100	30C 1981	
25	1975 100.00	VIZCAYA INT 7.25:1/4 11.50 12/11/1981 S	99 3/4	2.04		11.53	100	30C 1980	
40	1977 100.00	WILLIAMS & GLYNS 6.5:1/4 11.313 28/ 2/1984 S	98 5/8	4.33		11.47	100	30C 1981	
35	1979* 100.00	WILLIAMS & GLYN 5.25:1/4 13.00 14/ 9/1981 S	97 1/8	11.87		13.38	100	30C 1983	

AUSTRALIAN DOLLARS

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
15	1976 99.25	AUSTRALIAN IND DEVT CORP 10.00 1/10/1983	91	3.92	13.06	10.99	100 1/2	30 1980	
10	1977 100.00	AUSTRALIAN RESOURCES 10.00 1/12/1982	91	3.09	13.75	10.99	100	30 1981	
15	1978 100.00	CITICORP O/S FIN L 10.50 15/ 2/1983	92	3.30	13.62	11.41			1.50 DF1979
15	1979* 99.50	CITICORP O/S FIN L 11.00 1/ 2/1984	92	4.26	13.55	11.96			1.50 DF1980
12	1978 100.00	BANK OVERSEAS HOLDINGS 11.50 1/ 7/1983	90	3.67	15.18	12.78			

BAHRAINI DINARS

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
12 12.0	1977 100.00	NAT ALGERIE NAVIGATION 8.75 1/ 8/1987	94 3/4	7.75 5.25	9.73 10.08	9.23	100	60C 1980	2.00 1982
15 15.0	1977 100.00	PETROLEOS MEXICANOS L 8.75 15/11/1987	95 3/4	8.04 6.04	9.53 9.71	9.14	102	60C 1980	3.00 1983

CANADIAN DOLLARS

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
25	1977 99.50	AMERICAN HOSPITAL SUPPLY 8.75 15/10/1984	86 1/2	4.96	12.57	10.12	100	30 1982	
20	1977 100.00	AVCO FIN SERV-CANADA 9.50 1/ 8/1982	90 3/4	2.75	13.71	10.47			
25	1979* 99.25	AVCO FIN SERVICES-CANADA 10.25 15/ 5/1986	88 1/8	6.54	13.02	11.63	100 1/2	30 1983	
20	1979* 100.00	BANK OF BRITISH COLUMBIA 10.25 15/ 5/1989	88 5/8	9.54	12.31	11.57	100	30 1984	
50	1976 100.00	BANK OF MONTREAL 9.00 15/ 9/1982	91 1/2	2.88	12.68	9.84	100	30 1981	
30	1977 99.75	BANQUE CANADIENNE NAT 8.25 15/ 2/1982	89	2.30	14.14	9.27			
25	1976 100.00	BANQUE CANADIENNE NAT 9.25 15/ 4/1982	89 3/8	2.46	14.62	10.35	100	30 1981	
20	1976 99.50	B.C. CENTRAL CREDIT UNION 9.75 22/12/1981	93 7/8	2.15	13.17	10.39			
25	1977 100.00	BM-RT 8.75 1/ 6/1982	89 5/8	2.59	13.72	9.76			
60	1979* 100.00	BELL CANADA 10.75 1/10/1986	92 1/4	6.92	12.48	11.65	13.01 100 1/4	30 1984	
50	1977 99.00	BENEFICIAL FIN INT 9.00 15/ 2/1984	87 7/8	4.30	12.81	10.24	100	30 1982	
25	1975 100.00	BENEFICIAL FIN INT 9.50 15/ 7/1980	97 1/8	.71	13.84	9.78			
25	1975 100.00	BENEFICIAL FIN INT L 9.75 15/12/1982	91	3.13	13.44	10.71	100	30 1981	
30	1975 100.00	BENEFICIAL FIN INT 10.25 15/10/1981	94 1/2	1.96	13.82	10.85	100	30 1980	
25	1975 100.00	BORG-WARNER ACCEPT-CAN 10.25 1/12/1980	96	1.09	14.43	10.68			
35	1977 100.00	BRITISH COLUMBIA M.F.A L 9.00 1/ 6/1997	86 1/8	17.59	10.78	10.45			
15 15.0	1974 99.00	BRITISH COLUMBIA M.F.A 9.25 15/ 3/1981	95 1/8	1.34 1.04	12.83 14.64	9.72	100 3/4	30 1979	7.50 1980
25	1975 99.00	BRITISH COLUMBIA M.F.A 9.25 30/ 6/1982	89 5/8	2.67	14.12	10.32	100 3/4	30 1980	2.00 DF1976
24	1979* 100.00	BRITISH COLUMBIA M.F.A L 10.25 15/ 5/1989	87 3/8	19.54	11.92	11.73	101	60C 1984	
20	1976 99.00	CALGARY POWER 9.75 15/ 5/1982	92 1/4	2.54	13.48	10.57			0.00 DF1977
25	1976 100.00	CANADA PERM MORT CORP 9.75 1/11/1981	93 1/4	2.01	13.83	10.46			
25	1976 100.00	CANADA TRUSTCO MORTGAGE 9.25 1/12/1981	93	2.09	13.28	9.95			
35	1977 100.00	CANADIAN ACCEPTANCE F 9.375 15/10/1982	89 7/8	2.98	13.76	10.43			
60	1977 99.25	CANADIAN NAT RAIL CO 8.875 1/ 7/1987	83 1/8	7.33	12.49	10.68	101		
35	1976 100.00	CANADIAN PACIFIC SECS 9.25 15/ 4/1983	89 1/4	3.46	13.27	10.36	100	30 1982	
[illegible]	1975 100.50	CANADIAN PACIFIC SECS 9.75 15/12/1981	93 3/8	2.13	13.30	10.44	100	30 1980	
25	1977 100.00	CHRYSLER CREDIT - CANADA 9.25 15/ 6/1982	68	2.62	27.84	13.60	100	30 1981	
30	1976 99.00	CHRYSLER CREDIT - CANADA 9.50 15/10/1982	71	2.96	24.34	13.38	100	30 1981	
20	1976 100.00	COMM CREDIT CORP -CANADA 9.75 15/ 5/1981	93 3/8	1.34	14.73	10.44			
20 20.0	1974 100.00	COMMERCIAL UNION L 11.25 15/ 1/1985 S	97	15.21 11.45	12.01 12.07	11.63	105	30 1985	1.67 1986
30	1977 100.00	CREDIT FONCIER F-CAN 8.75 15/ 2/1982	89 3/4	2.30	14.23	9.75			
30	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 2/1981	94 1/2	1.30	14.60	10.32			
25	1976 100.00	CREDIT FONCIER F-CAN 9.75 15/ 7/1981	93 3/4	1.71	14.02	10.40			
50	1979* 100.00	CREDIT FONCIER F-CAN 10.375 15/ 9/1984	[illegible] 1/2	4.88	13.43	11.59			
15	1977 100.00	DRESSER IND (CANADA) F 8.50 15/ 3/1982	89	2.37	14.21	9.55			
50	1976 100.00	DU PONT OF CANADA 9.50 15/ 2/1981	94 1/8	1.30	14.70	10.09			
50	1976 100.50	EUROPEAN COAL & STEEL 9.00 15/ 3/1983	90 5/8	3.37	12.53	9.93	100	30 1981	
25	1977 100.30	EUROPEAN COAL & STEEL 9.00 15/ 4/1984	88 1/2	4.46	12.48	10.17	100	30 1982	

CANADIAN DOLLARS (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
50	1979* 100.00	EXPORT DEVELOPMENT CORP 10.00 15/ 5/1984	92 1/4	4.54	12.28	10.84	12.98 100 1/4	45 1983	
25	1975 100.00	FIRST CANADIAN INVEST 10.00 1/ 1/1981	95	1.17	14.87	10.53			
50	1979* 100.50	FIRST CANADIAN INVEST 10.00 15/ 5/1984	91 1/8	4.54	12.64	10.97			
20	1977 100.00	FORD MOTOR CREDIT-CANADA 8.50 15/ 5/1984	85 3/4	4.54	12.79	9.91	100	30 1982	
20	1977 99.50	FORD MOTOR CREDIT-CANADA 8.75 15/ 5/1987	83	7.54	12.31	10.54	100	30 1984	
50	1976 99.50	FORD MOTOR CREDIT-CANADA 9.25 1/ 2/1983	89 1/4	3.26	13.30	10.36	100	30 1982	
40	1976 100.00	FORD MOTOR CREDIT-CANADA 9.50 15/ 7/1982	92 5/8	2.71	12.84	10.26	100	30 1981	
40	1975 100.00	FORD MOTOR CREDIT-CANADA 9.75 1/11/1980	95 3/8	1.01	15.06	10.22			
25	1977 100.00	GENERAL FOODS LTD 8.50 1/ 5/1984	84 3/8	4.50	13.29	10.07	100	30 1982	
30	1976 100.50	GEN MOTORS ACCEPTANCE 9.00 15/10/1981	92 3/8	1.96	13.68	9.74			
50	1976 100.00	GEN MOTORS ACCEPTANCE 9.00 1/ 2/1982	91 5/8	2.26	13.50	9.82	100	30 1981	
40	1976 100.00	GEN MOTORS ACCEPTANCE 9.25 1/ 6/1983	89 1/4	3.59	13.15	10.36	100	30 1981	
50	1975 100.00	GEN MOTORS ACCEPTANCE 9.50 15/10/1981	93 3/8	1.96	13.56	10.17	100	30 1980	
50 50.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.50 1/ 2/1988	88 3/8	8.26 4.59	12.24 13.01	10.75	102 1/2	30 1981	8.33 DF1982
30 30.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.75 15/10/1986	89 1/4	8.96 6.86	11.75 12.15	10.92	102 1/2	30 1981	5.00 DF1982
25	1977 100.00	WALTER E.HELLER (CAN) 9.50 15/ 7/1984	83 7/8	4.71	13.73	11.06	100	30 1982	
15	1976 98.50	WALTER E.HELLER (CAN) 9.75 15/ 6/1981	92 1/2	1.62	13.18	10.34			
35	1975 100.50	HUDSON'S BAY 10.25 15/11/1981	[illegible]	2.04	14.04	10.85	100	30 1980	
60 60.0	1979* 100.00	HUDSON'S BAY 10.00 15/ 4/1989	90 3/8	9.46 7.58	12.29 12.51	11.62	103	30 1984	7.50 DF1984
25	1976 100.00	IAC LIMITED 9.50 15/ 5/1981	94 7/8	1.54	13.38	10.01			
25	1977 100.00	INT HARVESTER CREDIT-CAN 8.75 1/ 2/1983	86	3.26	14.30	10.17	100	30 1982	
25 23.0	1976 99.50	INT HARVESTER CREDIT-CAN 9.75 15/ 4/1986	84	6.46 4.89	13.59 14.52	11.61	100 1/2	30 1981	1.00 1977
30	1975 100.50	INT HARVESTER CREDIT-CAN 10.25 1/ 9/1981	92 1/2	1.84	15.17	11.08	100 1/4	30 1980	
25	1976 100.00	IAC CANADIAN FINANCE 9.75 1/ 8/1982	90 1/8	2.75	14.01	10.54	100	30 1981	
25 22.5	1976 100.00	IAC CANADIAN FINANCE 10.00 1/ 8/1986	91 1/2	6.75 5.59	11.88 12.17	10.83	100 3/8	30 1981	1.25 1978
30	1976 99.50	KINROSS MORT.CORP 9.25 15/ 6/1982	90 5/8	2.62	13.67	10.21	100	30 1981	
20	1977 100.00	LAURENTIDE FIN CORP 9.50 30/ 6/1982	89	2.67	14.71	10.67			
20	1976 99.00	LAVAL,CITY OF 10.00 1/ 7/1996	90 3/8	16.67	11.19	11.07	102 1/2	1986	
25	1977 100.50	MEE HAK LEASING CANADA 8.25 15/ 5/1982	90 5/8	2.54	12.74	9.10			
15 15.0	1975 99.50	MANITOBA,PROVINCE OF 9.25 30/ 4/1985	90 3/8	5.50 3.50	11.69 12.78	10.24	102	30 1980	3.00 1981
40	1979* 99.00	MONTREAL,CITY OF 10.00 1/ 6/1989	86 3/4	9.59	12.41	11.53	101	60 1985	4.00 DF1980
5	1975 98.50	MONTREAL EAST,TOWN OF 9.75 18/ 7/1982	88	2.72	15.42	11.08	101	60C 1980	
20 19.0	1975 100.00	NEWFOUNDLAND,PROVINCE OF 9.50 15/ 5/1983	90 7/8	3.54 3.36	12.81 12.99	10.45	101	30 1979	.50 DF1976
30	1975 100.25	NEWFOUNDLAND,PROVINCE OF 10.25 15/12/1985	90 1/4	6.13	12.61	11.36	102	30 1980	1.20 DF1976
10	1975 99.50	NORANDA MINES 9.75 1/11/1980	96 1/8	1.01	14.16	10.14			
25	1976 100.00	NORANDA MINES 9.75 15/ 7/1982	90 7/8	2.71	13.96	10.73			
20	1976 99.50	NORCEN 9.75 15/ 4/1983	91 7/8	3.46	12.75	10.61			
18	1974 99.25	NOVA SCOTIA POWER L 9.50 1/ 7/1994	94 1/2	14.67	10.23	10.05	11.22 101	90 1984	
30	1976 100.00	NOVA SCOTIA,PROVINCE OF 9.00 15/12/1983	89	4.13	12.56	10.11			
35	1976 100.50	PANCANADIAN PETROL 9.75 15/11/1983	90 7/8	4.04	12.77	10.73	100	30 1981	
5	1975 98.50	POINTE-AUX-TREMBLES 9.75 18/ 7/1982	88	2.72	15.42	11.08	101	60C 1980	
10	1976 100.00	PROVINCIAL BANK-CANADA 9.50 15/ 2/1982	92	2.30	13.73	10.33	100	30 [illegible]	
15	1975 100.00	QUEBEC,CITY OF 10.00 15/11/1995	L 90 1/2	16.04	11.31	11.05	102	1985	
15	1974 100.00	QUEBEC,CITY OF 10.75 15/10/1994	L 97	14.96	11.17	11.08	11.90 102	45C 1984	
50	1975 99.00	QUEBEC HYDRO-ELECTRIC 9.50 15/10/1981	93 1/8	1.96	13.72	10.20			
50	1979* 100.00	QUEBEC,PROVINCE OF 10.25 15/ 4/1986	89 1/2	6.46	12.69	11.45	100 3/4	30 1983	
15	1976 98.50	QUEBEC URBAN COMMUNITY 9.75 26/ 5/1983	87 1/8	3.57	14.56	11.19			
20	1977 100.00	BANK OVERSEAS HOLDINGS 9.50 15/ 6/1982	89 1/2	2.62	14.52	10.61			
40	1977 100.00	ROYAL BANK OF CANADA 8.00 15/ 2/1984	83 3/4	4.30	13.16	9.55	100	30 1982	
35	1976 100.00	ROYAL BANK OF CANADA 8.75 1/ 4/1982	92	2.42	12.73	9.51	100	30 1981	
40 40.0	1977 100.00	ROYAL BANK OF CANADA 9.00 15/ 2/1992	78 3/4	12.30 10.23	12.45 12.82	11.43	100	30 1985	1.50 1982
35 35.0	1976 100.00	ROYAL BANK OF CANADA 9.50 1/ 4/1988	82 7/8	8.42 6.02	12.93 13.86	11.46	100	30 1984	3.00 1981
40	1979* 100.50	ROYAL BANK OF CANADA 10.00 15/ 5/1986	89 1/2	6.54	12.40	11.17	13.17 100	30 1984	

CANADIAN DOLLARS (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
40 40.0	1979* 100.00	ROYAL BANK OF CANADA 10.00 15/ 5/1994	83 1/8	14.54 12.48	12.56 12.75	12.03	100	30 1986	1.50 1984
20	1976 100.00	ROYAL TRUST CO MORTGAGE 9.50 15/ 2/1981	94 3/8	1.30	14.46	10.07			
20	1976 100.00	ROYAL TRUST CO MORTGAGE 9.75 1/ 9/1982	91 5/8	2.84	13.46	10.64			
30	1975 100.00	ROYMARINE LEASING 9.50 15/10/1980	96	.95	14.23	9.90			
30	1976 100.50	RONDUR 9.75 1/ 2/1982	92 1/8	2.26	14.00	10.58	100	30 1981	
15	1975 99.75	RONDUR 9.50 1/ 9/1980	95 3/4	.84	15.16	9.92			1.70 DF1977
20	1976 99.50	RONDUR 9.50 1/ 7/1981	93 1/4	1.67	14.22	10.19			.40 DF1979
20	1976 99.50	SIMPSON-SEARS ACC.CO 9.75 1/ 8/1983	90	3.75	13.26	10.83	100	30 1981	.84 DF1977
25	1976 100.00	TEXASGULF CANADA 9.50 15/ 4/1982	91 1/4	2.42	13.82	10.41	100	30 1981	
25 22.5	1976 98.25	TEXASGULF CANADA 10.00 15/ 6/1986	92 1/2	6.62 5.46	11.66 11.92	10.81	100 3/8	30 1981	1.25 DF1978
50	1976 100.50	TORONTO-DOMINION BANK 9.00 1/ 4/1982	91	2.42	13.54	9.89	100	30 1981	
35	1975 100.50	TORONTO-DOMINION BANK 9.75 1/11/1980	93 5/8	2.01	13.60	10.41	100	30 1980	
25	1976 100.00	TRADERS GROUP 9.75 15/ 3/1982	92 1/2	2.37	13.58	10.54			.75 DF1977
15	1975 100.00	TRANS UNION FIN (CANADA) 10.50 1/12/1980	96 3/8	1.09	14.28	10.89			
30	1976 100.00	UNION CARBIDE OF CANADA 9.25 1/ 5/1982	91 3/8	2.50	13.46	10.12	100	30 1981	
30 27.0	1976 99.00	UNION CARBIDE OF CANADA 9.75 1/ 5/1986	86 1/4	6.50 5.63	12.87 13.30	11.30	100 3/8	30 1981	1.50 DF1978

EUROGUILDERS

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
60	1977 99.50	AKZO 7.50 1/10/1984	94 1/2	4.92	8.92	7.94			
50	1976 99.50	AKZO 10.00 1/10/1981	99 7/8	1.92	10.05	10.01			
75 28.8	1973 100.00	ALGEMENE BANK 6.25 1/ 5/1980	98 1/8	.50	10.10	6.37			18.75 1977
25	1978 99.50	ALGEMENE BANK 6.25 15/ 5/1983	91 5/8	3.54	9.10	6.82			
75 28.8	1973 100.00	ALGEMENE BANK 7.25 1/ 2/1980	99 1/8	.26 .21	10.75 11.40	7.31			18.75 1977
75	1979* 100.00	ALGEMENE BANK NEDERLAND 8.25 15/ 9/1984	96 3/8	4.84	9.20	8.56			
75	1975 99.50	ALGEMENE BANK 9.50 1/ 2/1980	99 5/8	.26	10.69	9.54			
75	1974 100.00	ALGEMENE BANK 10.00 1/12/1979	99 3/4	.09	12.81	10.03			
75	1976 99.75	ALUSUISSE INT 8.25 15/ 3/1983	99 5/8	3.37	8.35	8.28			
75 75.0	1979* 100.00	AMEV 8.50 1/10/1986	96 5/8	6.92 5.92	9.17 9.26	8.80			25.00 1984
60 15.0	1973 99.50	AMRO BANK 6.25 15/ 3/1980	98 3/8	.37 .33	10.73 11.20	6.35			15.00 1977
70 17.5	1973 100.00	AMRO BANK 7.25 1/ 2/1980	99 1/8	.26	10.65	7.31			17.50 1977
60	1974 100.00	AMRO BANK 9.75 15/12/1979	99 3/4	.13	11.38	9.77			
75	1975 99.50	AMRO BANK 8.25 15/ 9/1981	97 5/8	1.86	9.67	8.45			
75	1976 99.50	AMRO BANK 9.25 1/11/1981	99 1/2	2.01	9.54	9.30			
70	1978 100.00	AMRO BANK 7.00 1/ 3/1983	94 1/2	3.33	8.96	7.41			
60 15.0	1973 99.25	AMRO FINANCE 6.25 1/ 4/1980	98 1/8	.42	10.86	6.37			15.00 1977
75	1976 99.75	ASIAN DEVELOPMENT BANK 8.25 1/ 3/1983	97 1/4	3.33	9.22	8.48			
100	1976 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 6/1983	97 1/8	3.59	8.94	8.24			
75	1977 99.75	AUSTRIA,REPUBLIC OF 7.25 15/11/1984	93 1/2	5.04	8.90	7.75			
70	1975 100.00	AUSTRIA,REPUBLIC OF 8.25 15/ 7/1982	97 5/8	2.71	9.25	8.45			
75	1975 100.00	AUSTRIA,REPUBLIC OF 9.25 1/ 3/1982	99	2.33	9.70	9.34			
50	1975 99.25	AUSTRIAN ELECTRICITY 8.75 15/ 5/1982	98 1/4	2.54	9.51	8.91			
40 10.0	1973 99.50	BANK MEES & HOPE 6.00 1/ 5/1980	97 3/4	.50	10.67	6.14			10.00 1977
75	1978 100.00	BANK MEES & HOPE 7.00 1/ 4/1983	92 1/2	3.42	9.65	7.57			
75	1977 100.00	BANK MEES & HOPE 7.75 15/ 5/1982	96	2.54	9.56	8.07			
60	1975 99.75	BANK MEES & HOPE 8.25 15/12/1981	98 1/4	2.13	9.17	8.40			
40	1974 100.00	BANK MEES & HOPE 10.00 1/12/1979	99 7/8	.09	11.02	10.01			
75	1978 99.50	BRAZIL,REPUBLIC OF 7.50 1/ 7/1983	91 3/8	3.67	10.42	8.21			
75	1978 99.00	C.F.E. - MEXICO 7.75 1/ 8/1983	95 3/4	3.75	9.12	8.09			
40 10.0	1973 100.00	CONSOLIDATED FOODS 6.50 1/ 5/1980	97 7/8	.50	10.89	6.64			10.00 1977

EUROGUILDERS (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
60	1975 99.50	DUTCH STATE MINES 9.25 1/ 4/1982	99 7/8	2.42	9.26	9.26			
40 40.0	1976 99.50	EERSTE NEDER CREDIT 8.50 15/ 4/1983	96 1/2	3.46 1.96	9.70 10.56	8.81			10.00 1980
50	1975 99.75	EUROFIMA 8.50 1/ 5/1982	97 7/8	2.50	9.45	8.68			
60	1976 99.75	EUROPEAN COAL & STEEL 8.00 15/ 2/1983	96 3/8	3.30	9.21	8.28			
50 30.0	1972 100.00	EUROPEAN INVESTMENT BANK 6.00 15/ 9/1982	93 1/2	2.85 1.88	8.64 9.95	6.42			10.00 1978
75	1978 99.50	EUROPEAN INVESTMENT BANK 7.25 1/10/1985	91 3/8	5.92	9.20	7.93			
75	1976 99.75	EUROPEAN INVESTMENT BANK 8.00 15/ 4/1983	96 3/4	3.46	9.11	8.27			
75	1977 100.00	EUROPEAN INVESTMENT BANK 8.00 15/ 2/1984	95 3/4	4.30	9.22	8.36			
75	1979* 99.00	EUROPEAN INVESTMENT BANK 8.25 1/ 1/1986	95 7/8	6.17	9.14	8.60			
75	1975 100.00	EUROPEAN INVESTMENT BANK 9.00 1/ 3/1982	98 5/8	2.33	9.64	9.13			
25 25.0	1979* 99.50	FRIESCH-GRONINGSCHE HYPO 8.75 1/11/1986	97 1/4	7.01 5.51	9.30 9.43	9.00			6.25 1983
50	1974 99.00	IRELAND,REPUBLIC OF 10.25 15/12/1979	99 7/8	.13	10.82	10.26			
50	1975 99.75	ISHIKAWAJIMA-HARIMA 9.25 1/ 5/1980	99 3/8	.50	10.35	9.31			
15 15.0	1979* 100.00	LEASE PLAN NEDERLAND 9.00 1/10/1986	97 1/2	6.92 3.92	9.50 9.57	9.23			5.00 1984
50 12.5	1973 100.00	MALAYSIA,GOVERNMENT OF 6.75 15/ 6/1980	100 1/8	.62	6.46	6.74			12.50 1977
75	1977 99.50	MEXICO,UTD STATES OF 8.25 15/ 7/1982	96 1/2	2.71	9.75	8.55			
75	1978 99.50	NEDER MIDDENSTANDSBANK 6.50 1/ 6/1983	91 1/2	3.59	9.38	7.10			
75	1979* 100.00	NEDER MIDDENSTANDSBANK 8.25 1/ 4/1984	96 3/8	4.42	9.28	8.56			
40	1975 99.50	NEDERLANDSE CREDIETBANK 9.50 15/ 2/1980	99 7/8	.30	9.62	9.51			
50	1979* 99.50	NEDERLANDSE GASUNIE P 8.75 1/ 7/1984	98 3/4	4.67	9.07	8.86			
75	1978 100.00	NEW ZEALAND,GOVT OF 6.75 1/ 7/1984	90 5/8	4.67	9.30	7.45			
75	1977 99.75	NEW ZEALAND,GOVT OF 8.00 1/ 3/1983	97	3.33	9.05	8.25			
75	1975 100.00	NEW ZEALAND,GOVT OF 8.25 15/11/1981	98	2.04	9.36	8.42			
75	1975 99.00	NEW ZEALAND,GOVT OF 9.00 1/ 3/1982	98 7/8	2.33	9.51	9.10			
75	1976 99.25	NORGES KOMMUNALBANK 7.75 1/ 4/1981	96 7/8	1.42	10.15	8.00			
100	1978 99.25	NORWAY,KINGDOM OF 6.50 1/ 4/1983	90 3/4	3.42	9.79	7.16			
100	1977 99.50	NORWAY,KINGDOM OF 6.75 1/10/1982	92 5/8	2.92	9.76	7.29			
100	1977 99.00	NORWAY,KINGDOM OF 7.75 1/ 4/1982	96 1/4	2.42	9.52	8.05			
100	1975 99.25	NORWAY,KINGDOM OF 8.00 15/11/1980	98	1.04	10.10	8.16			
100	1979* 99.50	NORWAY,KINGDOM OF 8.25 15/ 3/1984	97	4.37	9.09	8.51			
100	1979* 99.50	NORWAY,KINGDOM OF 8.25 1/10/1984	96 3/8	4.92	9.19	8.56			
75	1976 99.50	NORWAY,KINGDOM OF 8.50 15/ 7/1981	97 3/4	1.71	9.94	8.70			
75	1975 99.50	OSLO,CITY OF 8.25 1/ 7/1982	97 5/8	2.67	9.26	8.45			
75	1976 100.00	OSLO,CITY OF 8.25 1/ 1/1984	96 1/8	4.17	9.40	8.58			
75	1978 99.50	OSTERREICHE KONTROLLBANK 6.50 15/ 5/1985	88 1/8	5.54	9.32	7.38			
75	1977 99.50	OSTERREICHE KONTROLLBANK 7.25 1/ 8/1982	93 5/8	2.75	9.98	7.74			
50	1975 100.00	OSTERREICHE KONTROLLBANK 9.75 1/ 2/1980	99 5/8	.26	10.93	9.79			
75	1976 100.00	PHILIPS LAMPS 7.75 15/ 5/1981	97 3/8	1.54	9.60	7.96			
75	1975 100.00	PHILIPS LAMPS 8.25 1/10/1981	97 5/8	1.92	9.65	8.45			
75	1979* 100.00	PHILIPS LAMPS F 8.25 15/10/1984	96 1/4	4.96	9.22	8.57			
75	1974 100.00	PHILIPS LAMPS 9.50 1/ 1/1980	99 5/8	.17	11.40	9.54			
60	1977 99.75	PIERSON HELDRING PIERSON 7.25 1/ 6/1982	94 7/8	2.59	9.56	7.64			
40	1976 99.25	PIERSON HELDRING PIERSON 10.00 1/10/1981	101 1/8	1.92	9.31	9.89			
60	1975 99.25	BANK XEROX HOLDINGS 9.25 15/ 3/1981	99 1/4	1.37	9.78	9.32			
75	1976 100.00	S.H.C.R. 7.75 15/ 6/1981	96 1/2	1.62	10.13	8.03			

EUROGUILDERS (CONTINUED)

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
60	1975 100.00	S.H.C.R. 9.00 15/ 4/1981	98 3/4	1.46	9.88	9.11			
60 15.0	1973 100.00	SCHEEPVAART UNIE 6.75 15/ 7/1980	97 1/4	.71	10.88	6.94			15.00 1977
50	1977 100.00	SCHEEPVAART UNIE 8.25 1/ 4/1982	95 1/2	2.42	10.40	8.64			
60	1975 100.00	SCHEEPVAART UNIE 8.75 1/ 6/1981	97 1/2	1.59	10.47	8.97			
40	1975 99.50	SHV 9.50 1/ 3/1980	99 3/8	.33	11.14	9.56			
50 12.5	1973 99.50	SOUTH EUROPEAN PIPELINE 7.25 15/ 2/1980	98 3/4	.30	11.35	7.34			12.50 1977
30	1976 99.75	SWEDISH EXPORT CREDIT 8.25 1/ 4/1983	95 3/4	3.42	9.74	8.62			
50	1975 100.00	SWEDISH INVESTMENT BANK 9.25 1/ 4/1982	98 3/4	2.42	9.80	9.37			
60	1975 99.50	TRESSES INVESTMENT 8.50 15/ 3/1982	99 7/8	2.34	8.52	8.51			
100	1976 100.00	WORLD BANK 8.00 1/ 2/1983	96 7/8	3.26	9.13	8.26			

EURO COMPOSITE UNITS

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
60	1974 100.00	EUROPEAN INVESTMENT BANK 8.00 18/ 1/1989	115 7/8	9.22	5.73	6.90	* 102	60Z 1980	2.00 PF1975
30	1973 99.50	EUROPEAN INVESTMENT BANK 8.375 27/ 9/1988	116 5/8	8.91	5.92	7.18	* 101 1/2	60Z 1980	1.00 PF1974
20	1973 98.00	MEE ESTATES & PROP 8.75 15/11/1988	91	9.04	10.33	9.62	102 1/2	90 1980	.75 PF1974

EURO CURRENCY UNITS

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
30 16.5	1972 99.50	BRAZIL,REPUBLIC OF 8.00 1/ 3/1984	99 3/4	4.33 2.52	8.05 8.10	8.02			3.00 1975
60 38.0	1971 99.50	ENEL 7.25 1/ 3/1986	98	6.50 3.46	7.64 7.91	7.40	101 1/2	30 1979	5.50 1976
10 7.0	1971 99.50	INTERFRIGO 7.50 12/ 3/1986	99 3/8	6.36 3.79	7.58 7.61	7.53	102	30 1981	.50 1974
30	1975 98.50	ISCOR 9.25 1/12/1980	100	1.09	9.22	9.25	101	30Z 1979	
25 18.0	1971 100.00	SOUTH AFRICA,REPUBLIC OF 8.00 1/ 4/1986	98 7/8	6.42 3.75	8.22 8.35	8.09	102	60 1981	2.00 1975

EURO UNITS OF ACCOUNT

Issued/ Est. O/S (Mio)	Year of issue/ Issue price	Borrower/ Coupon maturity	Price	Life/ Average life	Yield to maturity/Yld. to avge. life	Current yield	Yield to next call/ Next call price	Call not. (Days)/ Next call date	Next S/F Amount (Mio)/ First S/F date
12 10.5	1975 100.00	A.P.E.L. 9.50 21/ 2/1985	101 1/4	5.31 3.00	9.17 9.00	9.38	102 1/2	30 1979	1.50 1979
15 10.6	1971 99.75	AUSTRALIA,COMMONWEALTH 8.00 1/ 8/1986	147 3/8	6.75 4.29	8.16 8.25	8.07	102 1/2	30 1979	1.10 1973
16 16.0	1978 99.25	AUTOROUTES COTE BASQUE 7.00 10/ 7/1993	87 3/4	13.69 10.17	8.54 8.87	7.98	102	60 1985	1.28 1985
30 24.4	1973 98.50	BASS CHARRINGTON 7.00 1/ 3/1981	89 3/8	11.33 8.08	8.45 8.84	7.81	102 1/4	60 1979	1.05 DF1974
15 12.0	1974 98.00	BRISA-AUTO-ESTRADAS 8.75 6/ 2/1989	99 5/8	9.27 5.27	8.80 8.82	8.78	102	30 1980	1.00 1975
20 10.8	1966 97.50	C.F.E. - MEXICO 6.50 1/ 4/1986 S	146 7/8	6.42 3.66	6.84 6.99	6.69	100 1/4	1979	1.27 1970
5 .6	1968 98.00	C.P.E. (PORTUGAL) 7.00 17/ 6/1980	146 7/8	.63	8.92	7.08			.59 1969
17 15.3	1974 99.50	COFIROUTE 9.00 12/ 3/1989	100 1/2	9.36 6.25	8.90 8.88	8.96	103	75 1980	.68 DF1975
30	1978 100.25	COPENHAGEN,CITY OF 7.00 2/ 5/1993	86	13.50	8.80	8.14	102	75 1985	2.25 PF1991
25	1979* 99.75	COPENHAGEN,CITY OF 8.25 15/ 5/1991	97 5/8	11.56	8.57	8.45	9.22 101 3/4	45 1984	2.50 PF1982
20	1976 99.00	COPENHAGEN,CITY OF 8.75 15/ 6/1986	101 1/2	6.62	8.43	8.62	9.15 102 1/2	75 1981	1.00 PF1977
25	1975 99.50	COPENHAGEN,CITY OF 9.25 25/ 9/1985	101 7/8	5.90	8.82	9.08	9.72 102 1/2	75 1980	1.56 PF1979
10 1.3	1968 98.25	COPENHAGEN COUNTY AUTH 6.875 24/ 5/1980	147 3/8	.56	8.37	6.93	8.37 100	45C 1980	1.30 1969
15 7.0	1969 98.50	COPENHAGEN COUNTY AUTH 7.00 9/ 5/1984	146 7/8	4.52 2.63	7.30 7.50	7.08	101	45C 1980	1.25 1970
12 7.4	1971 100.00	COPENHAGEN COUNTY AUTH 8.00 10/ 2/1986	147 3/8	6.28 3.53	8.17 8.28	8.07	101 1/4	120C 1981	.60 1972
20	1979* 100.00	COPENHAGEN COUNTY AUTH 8.75 10/ 9/1991	104	11.86	8.20	8.41	8.82 101 3/4	45 1984	.50 PF1980
20	1975 99.50	COPENHAGEN COUNTY AUTH 9.25 23/10/1985	103 1/8	5.98	8.56	8.97	8.34 102 1/2	45 1980	1.25 PF1979
20	1975 99.50	COPENHAGEN TELEPHONE 9.50 28/ 5/1985	102 3/8	5.56	8.92	9.28	9.31 102 1/2	30 1980	1.25 PF1979
15 7.0	1971 100.00	ELECTRICITY SUPPLY-I.E. 8.25 7/ 5/1986	148 3/8	6.52 3.52	8.27 8.29	8.27	101 1/2	45C 1980	1.00 1972
25	1976 100.00	ENSO-GUTZEIT 9.25 10/ 2/1984	101 5/8	4.28	8.76	9.10			.95 PF1977
20 9.4	1971 99.75	ESCOM 8.25 11/ 6/1986	147 3/8	6.61 3.63	8.41 8.51	8.32	101 1/2	45C 1980	1.33 1972
12 1.2	1970 100.00	ESCOM 9.25 26/ 6/1980	147 7/8	.65	9.95	9.30	9.85 100	120C 1980	1.20 1971
20 9.6	1966 99.38	EUROPEAN COAL & STEEL 5.75 1/ 2/1986	146 1/4	6.26 3.41	6.06 6.29	5.84	101	28C 1980	1.30 1972
10	1976 99.00	FUNEN TELEPHONE CO 9.00 15/ 9/1984	102 1/2	4.88	8.34	8.78	8.26 101 1/2	75 1981	.50 PF1977
15 11.0	1975 99.75	G.I.S. 9.75 10/ 4/1983	101 3/8	3.44 2.49	9.23 9.07	9.62	103	60 1979	1.50 1976
10 4.3	1964 98.00	GREATER COPENHAGEN 5.625 15/ 4/1984	146 1/8	4.46 2.57	6.06 6.35	5.72	6.86 100	180C 1981	.76 1970
18	1975 100.00	HELSINKI,CITY OF 10.00 31/ 1/1983	103 3/8	3.25	8.73	9.67			2.70 PF1975
12 10.2	1973 100.00	ICELAND,REPUBLIC OF 8.50 24/10/1988	99 3/4	6.58 6.90	8.54 8.55	8.52	102	75 1980	.30 1974
15 14.4	1976 100.00	ICELAND,REPUBLIC OF 9.25 20/ 2/1983	100 5/8	3.31 2.45	8.99 8.93	9.19	101	30 1979	1.00 1979
12	1976 100.00	ICELAND,REPUBLIC OF 9.25 16/ 7/1986	102 3/8	6.71	8.75	9.04	7.38 101 1/4	75 1980	.75 PF1977
12	1974 99.50	ICELAND,REPUBLIC OF 10.00 20/12/1994	L 103 1/4	15.14	9.58	9.69	9.48 102	30 1984	
25	1977 100.25	IMATRAN VOIMA 8.50 20/ 6/1987	99 5/8	7.64	8.55	8.53			1.25 PF1980

Issued / Amt. O/S (MN)	Year of issue / Issue price	Borrower / Coupon maturity	Price	Life / Average life	Yield to maturity / To avge. life	Current yield	Yield to next call / Next call price	Call not. (Days) / Next call date	Next SF amount (MN) / First SF date
		EURO UNITS OF ACCOUNT (CONTINUED)							
20	1975 / 99.75	IMATRAN VOIMA / 9.75 25/ 3/1985	104 1/8	5.40	8.74	9.36			2.00 / 1978
25 / 15.0	1978 / 100.00	INDUSTRIAL BANK-FINLAND / 7.00 5/ 4/1993	86 3/4	13.43 / 8.99	8.30 / 9.24	8.07	102	30 / 1985	1.50 / 1984
15 / 13.0	1975 / 98.00	IND MORE BANK OF FINLAND / 9.50 7/11/1983	101 1/8	4.02 / 2.62	9.15 / 9.03	9.39			1.50 / 1979
25 / 18.6	1975 / 99.50	IRELAND, REPUBLIC OF / 9.25 7/ 7/1982	101	2.68 / 2.18	8.78 / 8.73	9.16	9.03 / 101	30C / 1980	3.13 / 1979
20 / 15.0	1974 / 99.50	IRELAND, REPUBLIC OF / 9.75 12/ 6/1984	102 1/8	4.62 / 3.38	9.14 / 9.06	9.55	9.11 / 101 1/2	120C / 1981	1.00 / 1975
15 / 14.5	1978 / 99.50	KOMMUNLANEINSTITUTET / 7.50 12/10/1993	93 5/8	13.95 / 8.58	8.29 / 8.58	8.01	102 1/2	90 / 1983	.45 / 1979
12 / 11.2	1978 / 100.00	KOMMUNLANEINSTITUTET / 7.75 25/ 1/1993	94 5/8	13.24 / 6.74	8.43 / 8.84	8.19	102 1/2	30 / 1983	.80 / 1979
15 / 9.0	1969 / 97.00	MANITOBA, PROVINCE OF 1. / 7.00 17/ 6/1989	146 3/8	9.63 / 5.46	7.22 / 7.34	7.11	102 1/4	90 / 1980	.75 / 1970
12 / 6.6	1978 / 100.00	MANITOBA, PROVINCE OF / 9.00 16/ 3/1982	147 5/8	2.38 / 1.69	9.29 / 9.45	9.06	100 1/2	90C / 1980	1.50 / 1971
30 / 28.7	1975 / 100.00	MANITOBA, PROVINCE OF / 9.25 8/12/1985	103	6.12 / 4.33	8.59 / 8.40	8.98	8.51 / 102 1/2	30 / 1980	1.80 / DR1976
12 / 3.9	1963 / 99.00	NORGES KOMMUNALBANK / 5.50 15/ 1/1983	146 1/8	3.21 / 1.78	6.09 / 6.55	5.80	6.39 / 100	180C / 1981	.89 / 1967
15 / 9.6	1971 / 98.75	NORGES KOMMUNALBANK / 7.75 15/ 3/1986	147 3/8	6.37 / 3.50	7.91 / 8.03	7.82	101 1/2	120C / 1980	1.10 / 1974
12 / 10.0	1974 / 98.50	OSLO, CITY OF / 8.875 1/ 4/1992	101 5/8	12.42 / 7.08	8.64 / 8.55	8.29	9.02 / 102 1/2	90 / 1982	.60 / 1975
15 / 21.3	1974 / 100.00	OSLO, CITY OF / 10.00 5/12/1981	100 3/4	2.10 / 1.10	9.57 / 9.28	9.93			3.75 / 1978
25 / 22.0	1975 / 99.50	OSLO, CITY OF / 9.25 15/10/1985	101 5/8	5.96 / 3.69	8.88 / 8.73	9.10	102 1/2	75 / 1980	3.25 / 1976
20 / 20.0	1978 / 99.50	PANAMA, REPUBLIC OF / 8.25 2/10/1993	89 1/4	13.92 / 10.92	9.68 / 9.90	9.24	102 1/4	60 / 1984	1.00 / 1984
20 / 17.8	1974 / 98.00	RECHINEY UGINE KUHLMANN / 8.75 22/ 2/1989	99 5/8	9.32 / 6.24	8.80 / 8.82	8.78	100	60 / 1979	.70 / 1975
22 / 22.0	1978 / 99.50	S.D.R. – FRANCE / 7.00 5/ 7/1993	88	13.68 / 9.18	8.51 / 8.97	7.95	102 1/2	60 / 1984	2.20 / 1984
24 / 24.0	1979* / 99.50	SDR FRANCE / 8.50 27/ 6/1994	101 5/8	14.66 / 10.16	8.30 / 8.25	8.36	8.44 / 102 1/4	30 / 1985	2.40 / 1985
22 / 22.0	1975 / 100.00	S.D.R. – FRANCE / 9.25 15/12/1985	102 1/8	6.13 / 4.17	8.78 / 8.62	9.06	8.92 / 102	30 / 1980	2.00 / 1980
25 / 21.0	1975 / 99.50	S.D.R. – FRANCE / 9.50 5/ 5/1987	102 5/8	7.51 / 4.73	8.99 / 8.78	9.26	5.48 / 102	60 / 1979	2.00 / 1978
40 / 40.0	1979* / 99.50	S.N.C.F. / 8.25 10/ 4/1989	92 7/8	9.44 / 7.44	9.42 / 9.62	8.88	101 3/4	30 / 1982	8.00 / 1985
8 / 5.2	1969 / 98.00	SCOTLAND HYDRO/ELECTRIC / 8.00 10/12/1984	147 3/8	5.11 / 3.43	8.21 / 8.31	8.07	102	90C / 1980	.40 / 1970
20 / 12.0	1970 / 98.00	SOUTH AFRICA, REPUBLIC OF / 8.75 30/12/1982	147 3/8	3.17 / 1.78	9.05 / 9.31	8.80	101	120 / 1980	2.65 / 1971
40 / 33.6	1973 / 100.00	STANDARD OIL OF INDIANA / 8.00 15/10/1988	99 3/8	8.96 / 6.89	8.10 / 8.12	8.05	100	30 / 1979	.80 / DR1974
20	1975 / 99.00	STATSFORETAG / 9.25 29/12/1985	103 7/8	6.16	8.41	8.90			1.25 / DR1979
12 / 5.0	1969 / 96.00	UNION BANK INT FIN / 7.00 15/ 6/1984	146 7/8	4.62 / 2.62	7.30 / 7.40	7.08	100	90C / 1980	1.00 / 1970
		FRENCH FRANCS							
100 / 35.0	1975 / 99.25	AEROSPATIALE / 10.00 4/ 3/1985	P 93 7/8	5.31 / 3.04	11.53 / 12.55	10.65			16.00 / 1979
120	1979* / 99.50	AIR FRANCE / 11.00 15/ 9/1984	99 1/4	4.88	11.19	11.08	11.34 / 100 1/2	60 / 1983	
100 / 80.0	1972 / 98.50	B.A.T. INT FIN / 7.50 15/11/1987	75 1/8	8.04 / 5.82	12.39 / 14.04	9.98	102	30 / 1979	4.00 / DR1973
100 / 76.0	1972 / 100.00	BANK TRANSATLANTICA / 7.50 1/ 5/1987	80	7.50 / 3.40	11.62 / 12.93	9.38	101 1/2	30 / 1978	4.00 / 1974
50 / 36.0	1972 / 100.00	BANK CHARRINGTON / 7.50 1/ 8/1987	75 1/2	7.75 / 5.83	12.62 / 13.88	9.93	102	60 / 1979	2.00 / DR1973
100 / 82.0	1972 / 100.00	BRITISH LEYLAND MOTOR / 7.50 30/ 9/1987	72 7/8	7.92 / 4.95	13.22 / 15.79	10.29	102	60 / 1979	6.00 / DR1977

[illegible]

Advertisement

1st OCTOBER 1979

WestLB Euro-Deutschmarkbond Quotations and Yields

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D-mandatory drawing by lot at par S-sinking fund P-purchase fund
8% ADELA 76/83	99.70	8.02	3.42	8.08	1. 4.83
½% ADELA 77/82PP	98.00	7.40	2.62	8.10	16. 6.82
7% ADELA 77/82PP	97.00	7.22	2.75	8.24	1. 8.82
6% AEG 66/81	98.50	6.09	1.25	7.29	1. 2.72—81D
¾% African Dev. Bank 79/86	97.25	7.97	6.58	8.28	1. 6.86
½% Airport Paris 69/84PP (G)	98.50	6.74	2.25	8.24	1. 3.75—84D
9% AKZO 75/82PP	100.25	8.98	2.25	8.84	1. 2.82
¾% AKZO 76/83PP	97.75	7.93	3.58	8.40	1. 6.83
6% AKZO 78/84PP	94.00	6.38	4.42	7.64	1. 4.84
½% AKZO 79/86PP	91.50	7.10	6.00	8.27	1. 3.86
¼% Alusuisse Int'l. 75/83	101.50	8.13	2.73	7.60	1. 8.81—83D
½% American Expr. Int'l. 79/87	91.50	8.01	7.19	7.04	15. 1.87
¾% AMEX Int'l. 77/84PP	95.00	7.11	4.42	8.12	1. 4.84
0% A.P.E.L. 74/81 (G)	101.75	9.83	1.57	8.74	1.12.77—81D
¾% ARBED Finance 76/83PP	98.50	7.87	4.00	8.20	1.11.83
¾% ARBED Finance 77/87	93.75	7.20	7.58	7.86	1. 6.83—87S
½% ARBED Finance 79/88PP	96.00	7.81	6.90	8.28	1.10.86
¾% Ardal.Sunndal 76/81PP	100.75	8.66	1.67	8.20	1. 7.81
¾% Ardal-Sunndal 77/89PP	94.50	7.14	5.97	7.83	1. 7.82—89D
7% Argentine 67/79	99.50	7.04	0.08	12.99	due 1.12.79
8% Argentine 69/79	99.75	8.02	0.08	11.21	due 1.12.79
½% Argentine 77/84	95.25	7.87	4.92	8.72	1.10.84
½% Argentine 78/85	88.50	7.34	5.33	9.32	1. 3.85
½% Argentine 78/88	86.60	7.51	6.91	9.21	1.11.84—88D
½% Argentine 78/89	94.25	7.96	9.50	8.39	1. 5.85—89S
7% Asian Dev. Bk. 69/84	99.50	7.04	4.83	7.25	1. 9.75—84S
½% Asian Dev. Bk. 75/80PP	100.00	8.50	1.04	8.49	16.11.80
8% Asian Dev. Bk. 76/82	99.10	8.07	2.33	8.41	1. 3.82
¾% Asian Dev. Bk. 76/83PP	99.00	7.83	3.42	8.07	1. 4.83
7% Asian Dev. Bk. 77/85	94.00	7.48	5.42	8.41	1. 4.85
½% Asian Dev. Bk. 78/88	82.50	6.67	8.50	8.46	1. 5.88
¾% Asian Dev. Bk. 79/89	93.50	7.75	9.75	8.24	1. 8.89
½% ASKO 75/80PP	100.00	9.50	0.42	9.24	1. 4.80
½% Aumar 73/88 (G)	101.00	7.43	4.01	7.33	1. 2.79—88D
9% Aumar 76/84 (G)	101.00	8.91	2.71	8.54	15. 8.77—84S
¾% Aumar 77/84 (G)	98.60	7.87	4.67	8.13	1. 7.84
½% Australia 67/82	100.10	6.49	1.98	6.44	1.11.73—82S
¾% Australia 68/83	99.50	6.78	3.75	7.02	1. 8.74—83S
½% Australia 69/84	99.70	6.52	[illegible]	6.69	1. 2.75—84S
¼% Australia 69/84	101.00	7.18	2.93	6.99	1.11.75—84S
7% Australia 72/87	100.50	6.97	3.77	6.83	1. 2.78—87S
0% Australia 74/80	102.00	9.80	0.92	7.63	1.10.80
[illegible] Australia 75/82	104.50	8.61	2.25	6.75	1. 2.82
¼% Australia 75/82 I PP	101.50	8.13	[illegible]	7.51	1. 4.82
¼% Australia 75/82 II PP	101.00	8.17	2.50	7.76	1. 5.82
½% Australia 76/83	99.00	7.32	3.33	7.58	1. 3.83
¼% Australia 77/82PP	94.50	5.56	2.92	7.41	1.10.82
¾% Australia 77/89	98.50	6.50	10.00	7.42	1.11.85—89S
6% Australia 78/88	92.25	6.50	8.83	7.21	1. 9.88
½% Austr. Ind. Dev. Corp. 72/87	97.25	6.94	4.31	7.52	1.11.78—87D
8% Austr. Ship. Com. 76/83PP (G)	100.25	7.98	3.83	7.91	1. 9.83
7% Rep. of Austria 68/82	100.25	6.98	1.39	6.92	1. 4.73—82S
¼% Rep. of Austria 69/83	96.75	6.72	[illegible]	7.74	1. 4.75—83S
¾% Rep. of Austria 74/80PP	101.50	9.61	1.00	8.12	1.11.80
¾% Rep. of Austria 74/81PP	102.00	9.56	2.08	8.64	1.12.81
½% Rep. of Austria 75/80PP	99.50	9.55	0.25	11.23	due 1. 2.80
¼% Rep. of Austria 75/81PP	100.75	8.19	1.58	7.68	1. 6.81
¾% Rep. of Austria 75/82PP	101.00	8.66	1.39	7.90	1. 4.79—82D
9% Rep. of Austria 75/83	101.00	8.91	3.25	8.61	1. 2.83
¾% Rep. of Austria 75/83PP	100.50	8.71	1.87	8.40	1. 4.78—83D
½% Rep. of Austria 75/87	101.50	8.37	3.89	7.99	1. 5.78—87S
¾% Rep. of Austria 76/86	100.40	7.72	4.96	7.63	2. 5.83—86S
¼% Rep. of Austria 77/85	98.60	6.86	5.42	7.00	1. 4.83—85S
7% Rep. of Austria 77/87PP	95.75	7.31	5.09	8.04	1. 1.83—87D
¼% Rep. of Austria 77/87PP	96.50	6.99	7.25	7.38	1. 2.83—87D
8% Rep. of Austria 77/87PP	89.00	8.74	8.28	8.49	1. 9.84—87D
¾% Rep. of Austria 78/88PP	88.75	6.48	6.63	7.99	15. 7.84—88D
¼% Rep. of Austria 78/90	85.00	8.76	11.00	7.83	1.11.85—90D
½% Rep. of Austria 79/84PP	98.50	7.63	4.83	8.64	1. 9.84
7% Rep. of Austria 79/87PP	97.50	7.18	7.83	7.43	1. 9.87
¼% Rep. of Austria 79/89PP	90.00	6.94	8.63	8.28	1. 2.84—89D
¼% Rep. of Austria 79/89PP	98.50	7.36	9.83	7.47	1. 9.89
7% Autopistas Cataluna 78/85PP	95.50	7.33	5.21	8.08	16. 1.85
¼% Autopistas Espanola 69/84 (G)	96.00	7.55	4.67	8.47	1. 7.73—84S
8% Autopistas Espanola 71/86 (G)	100.50	7.96	3.76	7.99	1.10.77—86D
¼% Autopistas Espanola 72/87 (G)	94.50	7.14	4.21	8.35	1.10.78—87D
¼% Autopistas Espanola 79/85PP (G)	97.25	7.46	5.33	7.88	1. 3.85
¼% Banco N. Desarrollo 79/88 (G)	93.0	7.80	8.33	8.72	1. 3.88

WestLB SD Certificates (Schuldschein-Index)

4 years maturity: 8.25% 5 years maturity: 8.25%

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
8% Banco N. Obras 71/86 (G)	100.09	8.00	7.00	8.16	1.11.77—86S
9% Banco N. Obras 76/81 (G)	102.00	8.82	1.83	7.76	1. 9.81
¼% Banco N. Obras 77/82PP (G)	97.75	7.42	2.79	8.10	16. 8.82
7% Banco N. Obras 77/82PP (G)	97.50	7.18	2.56	7.88	16.10.82
7% Banco N. Obras 77/84 (G)	95.50	7.33	4.82	8.14	1.10.84
¼% Bk America Overs. Fin. 78/90	88.10	6.53	11.00	7.37	1.11.80
8% Bank of Tokyo 79/86PP	93.25	8.43	6.25	7.38	1. 2.86
¼% Banque Ext. Algerie 77/83	95.30	7.87	3.98	[illegible]	15.10.81—83D
¼% Banque Ext. Algerie 78/85	98.40	7.76	4.97	8.85	1.11.83—85D
¼% Banque Nat. Algerie 78/83	92.50	7.84	3.33	9.88	1. 3.83
¼% Barclays Overs. Inv. 79/88	94.00	7.18	8.50	7.66	1. 5.88
3% Barlow Rand Inv. 78/82 I PP	96.00	8.48	2.77	8.82	15. 8.82
3% Barlow Rand Inv. 78/82 II PP	98.00	8.10	2.86	8.80	15. 8.82
3% BASF 65/80	98.50	6.09	0.92	7.74	1.10.71—80D
¼% BEC Finance 76/83PP	99.60	7.54	4.00	7.86	1.11.83
8% Beecham Fin. 76/83	99.75	8.02	4.00	8.08	1.11.83
9% Bergen 74/79	99.75	10.03	0.08	12.61	due 1.12.79
¼% Bergen 75/85	102.00	8.58	3.42	8.03	1. 5.81—85D
¼% Bergen 77/89	96.50	7.61	4.89	8.12	1. 2.81—89D
¼% BFCE 76/83 (G)	100.50	8.21	2.64	8.00	1. 7.81—83S
¼% BFCE 76/84 (G)	100.75	8.19	3.84	7.98	1. 7.82—84S
7% BFCE 77/87 (G)	96.00	7.29	7.25	7.73	1. 2.83—87S
¼% BFCE 78/88 (G)	87.00	6.61	8.21	7.96	15. 1.85—88S
7% BNDE 77/87	99.25	6.66	4.80	8.66	1. 4.83(82-87)
¼% BNDE 78/88	89.00	7.58	6.33	9.10	1. 3.86
9% Borregaard 75/81PP	100.00	9.00	1.90	9.00	1. 5.81
¼% Borregaard 77/84PP	93.50	[illegible]	4.92	8.15	1.10.84
¼% Brascan Int'l. 73/88	100.00	8.50	6.92	9.50	1.10.79—88S
¼% Brazil 72/87	93.75	7.20	7.92	7.84	1.10.78—87S
¼% Brazil 76/86	101.00	8.66	3.82	8.43	1.10.82(80-86)
¼% Brazil 77/84	95.25	8.14	4.50	9.06	1. 5.84
¼% Brazil 78/85	90.75	7.44	5.25	9.03	1. 2.86
¼% Brazil 79/87	94.25	7.69	7.17	8.34	1. 1.87
8% Brazil 79/87	96.50	8.29	7.75	8.63	1. 8.87
¼% Brenner 68/83 (G)	99.25	6.80	3.75	7.10	1. 8.74—83S
¼% British Petrol 65/80	98.25	5.60	0.58	8.60	1. 6.80
¼% Bruxelles-Lambert 77/84PP	91.00	8.32	5.12	7.95	15.12.84
¼% Burmah Oil 70/86	102.20	8.32	3.38	7.90	1.11.76—86D
¼% Canada 78/83	91.00	5.22	3.55	7.73	20. 5.83
5% Canada 78/84	90.25	5.54	4.52	7.62	10. 5.84
6% Carlsberg-Tuborg 77/87PP	91.00	6.59	8.06	7.51	1.12.85—87D
¼% C.C.C.E. 75/85 (G)	102.40	8.30	3.34	7.63	1. 4.81—85D
¼% C.C.C.E. 76/86 (G)	102.25	8.31	5.12	7.93	1. 7.82—86D
7% C.C.C.E. 77/89 (G)	95.75	7.31	9.42	7.84	1. 4.81—89D
½% C E C A 65/83	95.10	5.78	1.87	8.41	1. 4.71—83D
½% C E C A 71/86	97.85	7.08	3.34	8.24	1. 5.77—86D
½% C E C A 72/87	95.00	6.84	3.97	8.00	1. 7.78—87D
7% C E C A 72/88	95.25	7.35	4.46	8.30	2. 1.79—88D
½% C E C A 73/88	93.75	6.93	4.15	8.32	1. 4.79—88D
¾% C E C A 73/89	115.60	6.70	4.86	4.14	1.11.79—88D
3% C E C A 73/88	102.75	9.73	1.83	8.29	1. 9.81
¾% C E C A 74/81	103.10	9.48	2.08	8.08	1.12.81
8% C E C A 75/80PP	98.75	8.10	1.08	8.24	1.12.80
½% C E C A 75/82PP	99.00	8.59	2.33	8.95	1. 3.82
8% C E C A 75/82	101.25	7.90	3.12	7.52	15.12.82
½% C E C A 75/85	101.25	8.40	2.81	7.96	1. 4.78—85D
8% C E C A 76/81PP	98.75	8.10	2.12	8.65	16.12.81
¾% C E C A 76/83	101.50	7.64	3.92	7.29	1.10.83
¾% C E C A 76/86	101.00	7.67	4.84	7.49	1.10.82—86D
6% C E C A 78/88	88.75	6.92	9.00	8.13	1.11.88
¼% C E C A 78/90	83.75	6.27	8.22	8.02	1. 4.85—90D
6% C E C A 78/90PP	86.75	6.92	7.03	8.58	1. 8.83—90D
7% C E C A 79/91	93.25	7.51	8.81	8.09	15. 4.84—91D
¾% C.E.D. South Africa 78/82PP (G)	99.00	7.83	2.72	8.15	20. 7.82
½% CERGA 73/81PP	97.50	6.67	1.42	8.40	1. 4.81
7% CESP 77/87 (G)	94.50	7.41	8.00	7.96	1.11.83(82-87)
½% Charter Cons. Overs. 68/83	98.75	6.58	0.42	9.84	1.10.72—83S
6% Chase Manhattan Ov. 78/93	87.75	6.84	13.83	7.44	1. 9.84—93S
7% Chrysler 69/84	90.00	7.78	4.67	9.95	1. 7.75—84S
¾% CIBA-GEIGY ex. w. 75/85PP	114.00	5.92	5.92	4.04	1.10.85
½% C.N. Autoroutes 69/84 (G)	97.50	6.67	2.26	7.72	1. 3.75—84D
½% C.N. Autoroutes 75/82 (G)	101.00	9.41	0.21	4.41	16. 1.82
½% C.N. Energie 69/84PP (G)	98.00	6.77	2.70	8.19	1. 2.75—84D
¼% C.N. Telecom. 68/83 (G)	98.75	6.58	4.00	6.87	1.11.74—83S
½% C.N. Telecom. 70/85 (G)	101.50	8.37	3.30	8.13	1.10.76—85S
½% C.N. Telecom. 76/83 (G)	98.50	7.36	3.46	7.74	16. 4.83
¾% C.N. Telecom. 79/87 (G)	93.00	6.72	7.33	7.52	1. 3.87
¾% Comalco 71/86	99.60	7.78	6.58	7.06	1. 8.77—86S
7% Com. Fed. Electr. 77/82PP	97.00	7.22	2.83	8.21	1. 9.82
8% Com. Fed. Electr. 77/84	100.20	7.98	4.58	7.93	1. 6.84
¼% Com. Fed. Electr. 77/85	97.25	7.46	4.45	8.01	1.11.82—85D
¾% Com. Fed. Electr. 78/88	92.50	7.30	6.34	8.31	1. 4.84—88D
5% Commerzbank Int'l. 79/84PP	90.50	5.52	4.17	7.75	1. 1.84
¾% Comp. F. Deutsche Bk. 78/83PP	91.50	4.78	3.50	7.20	1. 6.83
5% Comp. F. Deutsche Bk. 78/84PP	90.25	5.54	4.17	7.82	1. 1.84
½% Comp. Franc. Petr. 75/85	102.25	8.31	3.12	7.63	1. 6.80—85S
½% Comp. Franc. Petr. 77/84	96.50	6.74	4.67	7.40	1. 7.84
½% Consorzio 70/91 (G)	100.75	8.44	5.78	8.50	1. 1.77—91D
¾% Copenhagen 64/84	94.75	6.07	5.12	7.00	15.12.70—84D
7% Copenhagen 68/83	99.50	7.04	3.50	7.29	2. 8.72—83S
¾% Copenhagen 69/84	99.45	6.79	4.58	7.01	1. 6.75—84S
¾% Copenhagen 71/86	99.75	7.77	6.42	7.95	1. 4.77—86S
½% Copenhagen 76/86	99.25	7.56	7.08	7.64	1.12.81—86S
6% Copenhagen 78/90	87.00	6.90	11.00	7.80	1.11.81—90S
½% Council of Europe 73/81PP	98.75	6.58	1.50	7.37	1. 5.81
7% Council of Europe 73/88	95.40	7.34	4.40	8.27	1. 7.79—88D
½% Council of Europe 75/82PP	103.00	9.22	2.25	7.98	1. 2.82
½% Council of Europe 76/83	100.50	8.46	1.70	8.13	1. 2.79—83D
¾% Council of Europe 76/83	100.00	7.75	1.95	7.71	1. 5.80—83D
7% Council of Europe 76/83	95.40	7.34	4.08	8.37	1.12.83
¼% Council of Europe 77/87	91.25	6.85	5.82	8.17	1.11.83—87D
¾% Council of Europe 78/86PP	87.50	7.14	6.67	8.80	1. 7.86
½% Council of Europe 78/88	89.35	6.86	6.46	8.31	16. 5.84—88D
½% Council of Europe 78/88 II	90.00	6.94	9.00	7.84	1.11.84—88D
¾% Council of Europe 78/88 III	88.50	7.06	9.00	8.10	1.11.84—88D
¼% Council of Europe 79/89	95.00	7.55	6.35	8.07	1. 5.83—89D
½% Council of Europe 79/89	96.15	7.80	7.84	8.18	1.10.85—89D
½% Courtaulds Int'l. 72/87	96.00	6.77	7.67	7.19	1. 7.80—87S
6% Credit National 77/87 (G)	88.60	6.77	7.92	8.00	1.10.83—87S
¾% Credit National 78/83PP (G)	93.50	6.15	3.33	7.77	1. 9.83
½% Credit National 79/89 (G)	92.25	7.05	7.38	7.91	16. 4.85—89D
9% CVRD 76/84	102.25	8.80	3.22	8.15	1. 2.81(82-84)
½% CVRD 76/86	100.25	8.48	4.53	7.47	1.12.82(83-86)
8% Daimler-Benz 70/85	100.75	7.94	3.35	7.89	1.11.76—85D
½% Daishowa Paper 78/83PP	91.00	6.04	3.75	8.38	1. 8.83
6% Danish Export 77/82PP	96.25	6.23	1.97	8.13	1.11.78—82D
¾% Danish Export 78/83PP	95.75	6.01	2.03	8.07	1. 6.78—83D
¾% Den Danske Bk. 76/86	99.75	8.27	7.00	8.30	1.11.82—86S
½% Denmark 68/80PP	98.00	6.63	0.92	9.00	1.10.72—80D
7% Denmark 69/84	98.50	7.11	4.75	7.51	1. 8.75—84S
¾% Denmark 72/87	97.10	6.95	8.08	7.23	1.12.78—87S
¾% Denmark 74/89	103.00	8.98	4.96	8.46	1. 3.80—89S

WestLB QUOTATIONS AND YIELDS

"Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:

—to final maturity in case of a lump-sum repayment

—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100

—to final maturity in case of a sinking fund issue, whenever the quoted price is above 100

—to average life in case of a sinking fund issue, whenever the quoted price is above 100

—to average life in case the bond issue provides for mandatory drawings by lot at par only

PP—Private Placement (the smallest denomination may be larger than the usual DM 1,000 of public issue)

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D-mandatory drawing by lot at par S-sinking fund P-purchase fund
8¼% Denmark 76/82	100.00	8.25	2.25	8.22	1. 2.82
8% Denmark 76/82	100.00	8.00	2.83	7.98	1. 9.82
6¾% Denmark 77/83	98.25	7.01	3.54	7.99	16. 5.83
7¼% Denmark 77/87	95.25	7.61	7.54	8.10	16. 5.87
5¾% Denmark 78/84	92.25	5.69	4.25	7.43	1. 2.84
6% Denmark 78/88	87.25	6.88	8.25	8.18	1. 2.88
5¾% Denmark 79/85	90.50	6.35	5.25	8.03	1. 2.85
6½% Denmark 79/89	90.25	7.20	9.25	8.03	1. 2.89
6¾% Den Norske Ind. 77/89 (G)	95.30	7.08	4.77	7.96	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	89.00	6.74	6.79	8.16	1. 5.83—90D
6½% District Paris 69/84 (G)	87.25	6.68	4.42	7.23	1. 4.75—84D
7¼% E E C 76/83	100.00	7.25	3.43	7.23	1. 4.83
7% Eletrobras 77/87 (G)	94.00	7.45	7.83	8.06	1. 9.83(83-87)
6¾% Eletrobras 78/86 (G)	90.00	7.50	6.42	8.84	1. 4.86
7% Elecrobras 79/87 (G)	90.50	7.73	7.24	8.82	1. 2.87
5¼% Elf Aquitaine 78/88	85.90	6.11	7.51	7.79	15. 5.86—88D
5¾% Elf Norge 77/80PP	98.00	5.87	0.46	10.27	16. 4.80
5¾% Elkem 78/88PP	86.00	6.69	6.50	8.64	1. 6.84—88D
6% ENEL 65/80 (G)	98.50	6.09	0.67	8.51	1. 7.80
6¾% Ericsson 72/87	89.75	6.77	7.33	8.75	1. 3.78—87S
8¾% ESAB 76/81PP	100.00	8.75	1.25	8.69	1. 2.81
6½% ESCOM 65/80 (G)	99.75	6.52	0.92	8.77	1.10.71—80D
6½% ESCOM 68/83 (G)	95.00	6.84	2.36	8.93	1.10.74—83D
8½% ESCOM 70/85 (G)	102.00	8.33	2.81	7.65	1. 4.76—85D
8% ESCOM 71/86 (G)	99.75	8.02	3.18	8.25	1. 3.77—86D
6¼% ESCOM 72/87 (G)	90.70	6.89	4.11	9.05	1. 9.78—87D
7% ESCOM 73/88 (G)	93.50	7.48	4.22	8.69	1. 5.79—88D
9¼% ESCOM 75/80 (G)	100.75	9.18	0.75	8.08	1. 8.80
8% ESCOM 78/81 I PP (G)	99.00	8.08	0.68	9.50	15. 1.80—81D
8% ESCOM 78/81 II PP (G)	99.00	8.08	0.74	9.36	1. 2.80—81D
8¼% ESCOM 78/81PP (G)	99.00	8.33	1.25	9.07	1. 2.81
8% ESCOM 78/84PP (G)	97.00	8.25	5.00	8.77	1.11.84
8¾% ESCOM 79/84 I PP (G)	98.75	8.86	4.74	9.07	1. 8.84
8¾% ESCOM 79/84 II PP (G)	98.75	8.86	4.75	9.07	1. 8.84
7¾% ESTEL 73/88	99.50	7.79	8.76	7.82	1. 8.79—88S
8½% ESTEL 75/85	100.50	8.46	3.91	8.32	1. 6.81—85S
8½% ESTEL 76/83PP	98.50	8.63	3.33	9.01	1. 3.83
6½% ESTEL 77/84PP	90.50	7.18	5.00	8.94	1.11.84
6¼% ESTEL 77/84PP	91.50	6.83	4.06	8.83	1.12.82—84D
6¼% ESTEL 78/85PP	90.50	6.91	5.92	8.35	1.10.85
7¼% ESTEL 79/86PP	98.00	7.91	6.74	8.14	1. 8.86
5¾% Euratom 77/87	87.25	6.59	8.00	7.97	1.11.87
6¼% Euratom 79/91PP	87.75	7.12	7.56	8.50	8. 2.84—91D
6% Eurofima 65/80	99.00	6.06	1.08	6.97	1.12.68—80D
6½% Eurofima 67/83	100.25	6.48	2.29	6.37	1. 9.71—83D
6¾% Eurofima 72/87	93.50	6.68	4.13	8.16	1. 9.76—87D
6½% Eurofima 73/88	93.00	6.99	4.06	8.60	1. 3.77—88D
8% Eurofima 73/88	99.75	8.02	4.66	8.06	1.10.77—88D
10% Eurofima 74/79PP	100.25	9.98	0.08	6.59	due 1.12.79
9% Eurofima 75/85	101.75	8.85	0.25	9.59	1. 2.81—85D
8% Eurofima 76/83	101.50	7.88	3.25	7.44	1. 2.83
6¾% Eurofima 77/87PP	95.25	7.09	5.17	7.89	1. 2.83—87D
5½% Eurofima 78/88	87.25	6.30	5.67	8.41	15. 2.84—88D
5½% Eurofima 78/88PP	86.00	6.40	7.46	8.07	1.11.85—88D
6½% Eurofima 79/89	95.00	6.84	7.18	7.42	1. 2.85—89D
7% Eurofima 79/84PP	100.25	6.98	4.90	6.93	1.10.84
7½% Eurofima 79/87PP	99.25	7.43	7.90	7.50	1.10.87
6% Europ. Inv. Bank 69/84	96.45	6.22	2.26	7.39	1. 3.75—84D
7% Europ. Inv. Bank 69/84	100.00	7.00	2.93	7.13	1.11.75—84D
8% Europ. Inv. Bank 70/80	100.25	7.98	0.50	7.62	2. 5.80
7½% Europ. Inv. Bank 71/86	98.85	7.59	3.18	8.07	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	99.75	7.77	3.77	7.82	1.10.77—86D
6½% Europ. Inv. Bank 72/87	95.25	6.82	3.63	8.04	1. 3.78—87D
6% Europ. Inv. Bank 72/87	92.40	6.49	4.13	8.24	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	94.50	7.14	8.25	7.67	1. 2.79—88S
7% Europ. Inv. Bank 73/88	96.00	7.29	8.67	7.64	1. 7.79—88S
10% Europ. Inv. Bank 74/81PP	101.00	9.90	1.83	9.34	1. 9.81
8% Europ. Inv. Bank 75/80	101.10	7.91	1.06	6.89	1.12.80
8¼% Europ. Inv. Bank75/83	103.75	8.16	2.14	7.62	1. 1.81—83D
8% Europ. Inv. Bank 76/83	100.50	7.93	2.12	7.49	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83PP	99.75	7.77	3.92	7.82	1.10.83
6¾% Europ. Inv. Bank 76/84	96.25	7.01	3.64	8.09	1.12.81—84D
6% Europ. Inv. Bank 77/89	90.50	6.63	6.05	8.04	1. 8.82—89D
6% Europ. Inv. Bank 78/88 I PP	87.00	6.90	8.75	8.13	1. 8.88
6% Europ. Inv. Bank 78/88 II PP	87.00	6.90	9.04	8.08	15.11.88
5¾% Europ. Inv. Bank 78/90	82.90	6.33	8.13	8.21	1. 3.85—90D
6% Europ. Inv. Bank 78/90	84.90	7.07	10.92	8.14	1.10.90P
7½% Europ. Inv. Bank 79/89	98.25	7.63	8.58	7.76	1. 6.89
7¼% Europ. Inv. Bank 79/89PP	90.25	7.63	9.75	8.19	1. 8.89
6½% Europ. Inv. Bank 79/91	88.35	7.36	11.17	8.12	1. 1.91P
8¼% Europistas 71/86 (G)	101.00	8.17	3.10	8.03	1. 2.77—86D
8% Europistas 72/87 (G)	100.00	8.00	4.01	8.15	1. 7.78—87D
7½% Fin. Inst. f. Dan. Ind. 76/81PP	98.50	7.54	2.08	7.78	1.12.78—81S
6% Finland 64/80	99.50	6.03	0.17	9.15	due 2. 1.80
7% Finland 68/83	98.50	7.11	2.04	7.96	1. 6.72—83D
6¾% Finland 68/83	98.25	6.87	2.54	7.66	1.12.72—83D
7% Finland 69/84	98.35	7.12	2.42	7.91	2. 5.73—84D
7½% Finland 69/84	97.85	7.66	2.83	8.54	1.10.73—84D
7% Finland 72/87	99.15	7.06	7.42	7.28	1. 4.78—87S
8% Finland 76/84	100.30	7.98	3.04	7.90	1. 6.81—84S
5¼% Finland 78/83PP	92.00	5.66	3.25	8.40	1. 2.83
6% Finland 78/83	93.20	6.44	4.08	8.01	1.12.83
5¼% Finland 78/86	83.75	6.48	6.25	8.11	1. 2.86
7¼% Finn. Kommunal 69/81 (G)	99.50	7.54	1.57	7.99	1.12.72—81D
8% Finn. Kommunal 71/83 (G)	100.75	7.94	1.88	7.72	2. 5.76—83D
8¼% Forsmarks 75/83 (G)	100.50	8.21	2.12	7.85	1. 7.80—83D
5¾% Forsmarks 78/90 (G)	88.50	6.50	6.50	8.08	16. 1.83—90D
7¼% Francetel 78/83 (G)	88.75	7.69	3.86	7.88	16.10.83
6¾% Francetel 77/84PP (G)	95.25	7.01	4.42	7.77	1. 4.84
7% Fuji Heavy 76/81PP	98.00	7.14	2.08	8.07	1.12.81
8¼% Gen. Zbk. Vienna 75/82PP	101.00	8.16	2.33	8.73	1. 3.82
8½% Gen. Zbk. Vienna 76/83PP	101.00	8.42	2.74	8.05	1. 2.82—83D
6% Gen. Zbk. Vienna 77/87	89.25	8.72	6.00	8.34	1.12.83—87D

WestLB

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Westdeutsche Landesbank Girozentrale
Leading Marketmakers in Eurobonds.

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
8¾% Giroz. Vienna 74/79PP	100.25	9.73	0.08	6.38	due 1.12.79
9¾% Giroz. Vienna 74/80PP	101.00	9.65	1.08	8.71	1.12.80
7% Giroz. Vienna 76/81	98.75	7.09	2.00	7.70	1.11.81
7¼% Giroz. Vienna 76/83	99.35	7.30	4.00	7.47	1.11.83
5¾% Giroz. Vienna 77/82	93.60	5.08	2.92	8.04	1.10.82
5¾% Giroz. Vienna 78/86PP	87.75	6.55	6.92	8.15	1.10.86
6¾% Giroz. Vienna 79/84PP	98.00	7.02	4.78	7.38	16. 8.84
6% G.I.S. 78/83PP	94.50	6.35	3.33	7.92	1. 3.82—83D
9¾% Goeteborg 75/85PP	102.75	9.49	3.17	8.69	1. 2.81—85D
7% Grand Metrop. Fin. 77/84	95.50	7.33	4.75	8.17	1. 8.81—84S
8% Guest-Keen-Nettl. 76/83	100.00	8.00	3.50	7.87	2. 5.83
6¾% Hamersley Iron 72/87	97.50	6.92	7.67	7.18	1. 7.78—87S
8% Hazama-Gumi 76/81PP	100.00	8.00	1.58	7.96	1. 6.81
7% Helsinki 68/83	99.00	7.07	3.67	7.45	1. 7.72—83S
7% Hitachi Cable 77/82PP	97.00	7.22	2.17	8.55	1. 1.82
5¾% Hitachi Shipbldg. 78/83	92.00	6.25	4.12	8.10	16.12.83
8¾% IAKW. Vienna 75/85 (G)	101.00	8.66	2.08	8.31	1. 5.80—85D
7¼% Iceland 69/84	100.00	7.25	4.50	7.00	1. 5.73—84S
7¾% Iceland 77/87	99.55	7.79	7.42	7.82	1. 4.80—87S
6½% I C I Int'l. 72/92	96.90	6.71	12.33	6.67	1. 3.78—92S
7½% I C I Int'l. 76/86	99.25	7.56	6.06	7.65	1.12.84—86D
6¾% I C I Int'l. 77/87	95.90	7.04	5.95	7.62	1. 5.84—87D
8% ICIPU 71/91 (G)	99.00	8.08	6.77	8.39	1. 1.77—91D
8% Imatran Voima 72/87 (G)	99.50	8.04	7.17	8.25	1. 1.78—87S
7% Indonesia 78/84	94.75	7.39	4.92	8.34	1.10.84
7¼% Ind. Dev. C. South-Afr. 78/82PP (G)	97.00	7.99	2.50	9.11	1. 5.82
8% Ind. Dev. C. South-Afr. 78/83PP (G)	98.00	8.16	3.67	8.64	1. 7.83
6½% Industr. Bk. Japan 73/80PP	98.25	6.62	0.58	9.59	1. 6.80
6½% Industr. Bk. Japan 73/81PP	98.00	6.63	1.50	7.92	1. 5.81
5% Industr. Bk. Japan 78/84	89.70	5.57	4.17	8.00	1. 1.84
7½% Ind. Min. Dev. Iran 73/85	84.00	8.93	5.50	11.57	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	82.75	9.37	7.67	11.20	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	76.00	9.54	4.87	14.42	16. 9.84
6¾% Ind. Mtgebk. Finl. 68/80 (G)	99.10	6.61	1.00	7.85	1.11.73—80D
8% Ind. Mtgebk. Finl. 71/86 (G)	100.25	7.98	2.93	8.08	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	98.00	7.14	3.97	7.73	1. 7.78—87D
6¾% Int. Am. Dev. Bank 68/83	99.50	5.78	3.67	7.02	1. 7.72—83S
7% Int. Am. Dev. Bk. 69/84	99.25	7.05	4.75	7.31	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	100.75	8.44	3.22	8.39	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	95.90	7.04	7.58	7.47	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	96.25	7.01	8.00	7.39	1.11.78—87S
8% Int. Am. Dev. Bank 76/83PP	98.00	8.16	3.29	8.70	16. 2.83
8¼% Int. Am. Dev. Bank 76/83PP	99.00	8.33	3.67	8.55	1. 7.83
7% Int. Am. Dev. Bank 77/87	94.25	7.43	7.17	8.08	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/88	88.85	7.03	8.17	8.17	11. 1.88
7¼% Int. Am. Dev. Bank 79/86	89.25	7.01	5.67	7.89	1. 7.86
8% Int. Am. Dev. Bank 79/89PP	100.25	7.98	9.71	7.95	15 7.89
6¾% Int'l. Com'l. Bank 73/83	87.00	6.96	2.03	8.38	1. 6.79—83D
8¼% Ireland 76/81	101.30	8.14	1.17	7.01	1. 1.81
7½% Ireland 79/87PP	98.00	7.65	7.50	7.86	1. 5.87
7¾% ISCOR 71/86 (G)	97.00	7.99	6.56	8.52	1. 6.77—86D
7% ISCOR 72/87 (G)	94.70	7.39	3.69	8.90	1. 4.78—87D
7% ISCOR 73/88 (G)	94.45	7.41	4.06	8.86	1. 3.79—88D
8½% ISCOR 73/88 (G)	100.25	8.48	4.73	8.43	1.11.79—88D
8¼% ISCOR 77/80 I PP (G)	99.00	8.33	0.87	9.44	16. 9.79—80D
8¼% ISCOR 77/89 II PP (G)	99.00	8.33	1.12	9.19	16.12.79—80D
7¾% ISCOR 78/82PP (G)	97.00	7.99	1.91	9.49	1. 4.81—82D
8¼% ISCOR 78/84PP (G)	97.00	8.51	4.96	9.02	16.10.84
7% Japan 68/83	99.75	7.02	3.33	7.21	1. 3.72—73S
7¼% Japan Dev. Bank 76/83 (G)	99.15	7.31	3.42	7.52	1. 4.83
8% Johannesburg 71/86 (G)	98.50	8.12	3.67	8.48	1. 9.77—86D
6¼% Johanesburg 72/87 (G)	90.85	6.88	4.11	9.00	1. 9.78—87D
7¾% Johannesburg 78/82PP (G)	97.50	7.95	2.48	8.88	30. 4.82
7¼% Jydsk Telefon 69/84	98.00	7.32	4.87	7.64	15. 9.75—84S
6¾% Jydsk Telefon 72/87	93.00	7.26	7.33	8.04	1. 3.78—87D
7¼% Jydsk Telefon 73/88	97.25	7.46	8.25	7.70	1. 2.79—88D
9% Jydsk Telefon 75/82PP	102.50	8.78	2.65	7.89	1. 7.82
6¾% Kansai Electric 69/84	98.75	6.84	4.33	7.21	1. 3.75—84S
7¾% Kansai Electric 71/86	100.75	7.69	3.36	7.46	1. 5.77—86S
6¾% KELAG 73/88	95.00	7.11	8.50	7.56	1. 5.79—88S
6¾% KHD Finance 72/87	97.75	6.91	7.50	7.14	2. 5.78—87S
7¾% Kjobenhavns H. Bank 76/83PP	99.00	7.45	4.08	7.66	1.12.83
7½% Kjobenhavns Tel. 72/87	100.00	7.50	7.17	7.64	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	97.50	7.18	7.50	7.44	1. 5.78—87S
6½% Kjobenhavns Tel. 73/88	92.25	7.05	8.42	7.78	1. 4.79—88S
5% KLM Royal Dutch Airl. 78/85PP	92.00	5.43	2.89	8.21	1. 5.79—85D
7% Kobe 68/83 (G)	100.00	7.00	3.68	7.12	1. 6.72—83S
6¾% Kobe 69/84 (G)	99.75	6.77	4.50	6.93	1. 5.73—84S
7¾% Kobe 71/86 (G)	100.50	7.71	3.29	7.55	1. 2.77—86S
6¾% Kobe 72/87 (G)	97.25	6.94	7.60	7.23	1. 5.78—87S
8¼% Kobe 75/80PP (G)	100.00	8.25	0.59	8.11	1. 6.80
7½% Kobe 76/83 (G)	100.35	7.47	3.58	7.36	1. 6.83
6½% Kobe 77/87 (G)	92.00	7.07	7.58	7.93	1. 6.87
5¾% Kobe 78/86 (G)	89.00	6.46	6.67	7.93	1. 7.86
7¼% Kobe 79/89 (G)	95.25	7.49	9.92	7.83	1.10.89
7¾% Kommunl. Inst. 76/83	98.80	7.84	2.39	8.29	1. 4.81—83D
8% Kommunl. Inst. 76/84	100.25	7.98	3.25	7.91	15.10.77—84D
7¼% Korea Dev. Bank 7/84 (G)	92.75	7.82	5.08	9.09	1.12.84
5¼% Kubota Int'l. 7/82PP	93.75	5.60	2.57	8.03	1.12.81—82D
5¾% Kvaerner Ind. 78/88PP	89.00	6.46	6.26	8.05	1. 3.84—88D

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D-mandatory drawing by lot at par S-sinking fund P-purchase fund
8½% Light-Servicos 77/82 (G)	100.25	8.48	2.33	8.34	1. 3.82
6¾% Light-Servicos 79/85 (G)	90.25	7.48	5.50	8.77	1. 5.86
8¼% Lonza Int'l. 75/80PP	100.00	8.25	0.54	8.09	15. 5.80
6½% Lufthansa Int'l. 79/86PP	95.25	6.82	6.33	7.46	1. 3.86
7% Malaysia 72/84	96.00	7.29	2.50	8.82	1. 6.75—84D
6½% Malaysia 77/85	88.00	7.39	5.83	9.24	1. 9.85
9¼% Malmoe 75/84	101.50	9.11	2.70	8.57	1. 2.81—84D
8¼% Malmoe 76/83	100.00	8.25	1.78	8.21	1. 3.80—83D
6½% Manitoba 77/84	96.50	6.74	4.67	7.40	1. 7.84
6¾% Manit. Hydro El. 72/87	98.00	6.89	7.68	7.09	1. 6.78—87S
6¼% Megal Fin. Comp. 78/90	87.25	7.16	10.17	8.14	2. 1.85—90S
7% Megal Fin. Comp. 79/89	94.75	7.39	9.42	7.80	1. 4.87—89P
7% M E P C 73/88	95.25	7.35	4.23	8.36	1. 5.79—88D
7% Mexico 68/84	100.25	6.98	2.10	6.97	2. 1.73—84S
7¼% Mexico 73/88	99.45	7.29	8.17	7.34	1. 1.79—88S
9% Mexico 75/82	103.00	8.74	2.67	7.68	1. 7.82
8% Mexico 76/83	101.00	7.92	3.58	7.65	1. 6.83
7¾% Mexico 77/84	100.50	7.71	4.58	7.60	1. 6.84
6% Mexico 78/85	93.75	6.40	5.42	7.43	1. 4.85
6½% Mitsubishi Chemical 79/84	95.00	6.84	4.50	7.85	30. 4.84
5¾% Mitsubishi Petro 78/83	92.25	6.23	3.83	8.18	1. 9.83
7¾% Mitsui Toatsu 76/81PP	98.50	7.87	1.87	8.63	15. 9.81
9% MODO 75/83	101.25	8.89	2.05	8.26	1. 6.80—83D
7% Montreal 69/89	95.50	7.33	4.59	8.30	1. 4.70—89D
6% Montreal 72/92	89.25	6.72	6.28	8.25	1. 9.73—92D
6¾% Montreal 73/93	95.25	7.09	13.58	7.31	1. 6.74—93S
8½% Montreal 76/86	101.75	8.35	3.52	7.29	1. 7.77—86S
7% Montreal 77/87	96.00	7.29	7.71	7.70	16. 7.78—87S
7½% Mortg. Denmark 69/84 (G)	99.50	7.54	5.00	7.77	1.11.75—84S
7% Mortg. Denmark 73/88 (G)	97.50	7.18	8.67	7.39	1. 7.79—88S
6¼% Mortg. Bk. Finl. 69/84 (G)	99.05	6.81	4.42	7.12	1. 4.73—84S
8¾% Nafi. Mexico 76/83PP (G)	101.50	8.62	4.06	8.29	1.12.83
7% Nafi. Mexico 77/82PP (G)	95.50	7.33	2.83	8.85	1. 9.82
8¾% Nafi. Mexico 77/84 (G)	101.00	8.66	4.33	8.44	1. 3.84
8¾% Nafi. Mexico 77/84PP (G)	100.75	8.68	4.33	8.51	1. 3.84
8¼% Nat. Bk. Hungary 76/81	100.30	8.23	1.67	8.00	1. 7.81
6½% Nat. Bk. Hungary 77/85	91.75	7.08	6.00	8.90	1.11.85
7% Nat. Nederl. Fin. Mast. 79/86PP	97.25	7.20	6.90	7.52	1.10.86
8% Nat'l. Westm. Bk. 73/88	100.00	8.00	8.92	8.00	1.10.79—88S
6¾% New Brunswick 72/87	98.50	6.85	8.00	7.00	1.11.78—87S
7¼% Newfoundland 69/84	99.75	7.27	4.75	7.44	1. 8.75—84S
8% Newfoundland 71/86	101.25	7.90	3.60	7.57	1. 8.77—86S
6¾% Newfoundland 72/87	94.50	7.14	8.00	7.70	1.11.78—87S
6½% Newfoundland 73/88	94.50	6.88	8.42	7.39	1. 4.81—88S
6¾% New Zealand 69/84	98.75	6.84	2.18	7.51	1. 2.75—84D
7½% New Zealand 71/86	98.00	7.65	3.34	8.36	1. 5.77—86D
7% New Zealand 72/87	97.60	7.17	3.55	7.78	1. 2.78—87D
9½% New Zealand 75/80PP	100.00	9.50	0.25	9.17	due 1. 2.80
9¼% New Zealand 75/80PP	100.00	9.25	0.25	8.93	due 1. 2.80
8¼% New Zealand 75/80PP	99.50	8.29	0.67	8.83	1. 7.80
9¾% New Zealand 76/82	101.10	9.64	0.17	2.92	1. 1.82
7½% New Zealand 76/83	100.65	7.45	3.33	7.28	1. 3.83
7¾% New Zealand 76/86	102.90	7.53	4.93	7.03	1.11.82—86D
6¼% New Zealand 77/84	94.85	6.59	4.80	7.63	1. 5.84
5¼% New Zealand 78/86	87.50	6.00	6.33	7.82	1. 3.86
6% New Zealand 79/86PP	92.00	6.52	6.25	7.65	1. 2.86
6¼% New Zealand 79/87	91.00	6.87	7.17	7.94	1. 1.87
7¼% New Zealand 79/87	95.75	7.44	7.87	7.86	15. 3.87
6¾% Nippon Housing Loan 78/84PP	96.50	6.99	4.54	7.68	15. 5.84
5½% Nippon Kokan 79/84	95.25	6.82	4.42	7.80	1. 4.84
5¾% Nippon Steel 78/85	90.75	6.34	5.83	7.78	1. 9.85
8¾% Nippon T + T 75/82 (G)	100.75	8.68	2.33	8.34	1. 3.82
8¾% Nippon T + T 75/82 (G)	101.75	8.11	2.58	7.45	1. 6.82
7¾% Nippon T + T 76/83 (G)	100.00	7.75	3.92	7.74	1.10.83
6½% Nippon T + T 79/87 (G)	86.50	6.38	7.25	8.02	1. 2.87
5¾% Norcem 78/85	80.00	6.39	5.33	8.12	1. 3.85
7½% Norcem 79/86PP	98.50	7.61	6.83	7.78	1. 9.86
5% Norddt. LB Int'l. 78/84PP	92.50	5.41	4.25	7.10	1. 2.24
6¼% Nordic Inv. Bank 79/86	90.75	6.89	6.17	8.21	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	103.25	8.23	3.31	7.61	1.10.76—85S
8% Norges Kom. Bank 75/80 (G)	99.75	8.02	0.58	8.32	1. 6.80
8% Norges Kom. Bank 75/80PP (G)	99.50	8.04	0.67	8.69	1. 7.80
7% Norges Komm. Bank 76/81 (G)	99.00	7.07	1.60	7.68	1. 5.81
7% Norges Komm. Bank 77/89 (G)	98.75	7.09	9.42	7.18	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	92.50	6.48	9.98	7.07	16.10.80—89S
6% Norges Kom. Bank 77/89 II (G)	92.00	6.52	10.08	7.14	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	89.10	6.73	10.75	7.51	1. 8.81—90S
6¼% Norges Kom. Bank 79/89 (G)	93.00	6.72	9.17	7.32	1. 1.84—89S
7¼% Norges Komm. Bank 79/89PP (G)	99.60	7.41	9.79	7.44	16. 8.84—89S
7¾% Norges Kom. Bank 79/91 (G)	99.85	7.76	11.67	7.76	1. 7.84—91S
8¼% Norpipe 76/84	100.75	8.44	2.56	8.14	1. 2.80—84S
8% Norpipe 76/88	100.00	8.00	8.58	7.99	1. 6.83—86S
6% Norpipe 77/89	86.50	6.94	10.00	8.01	1.11.84—89S
7¼% Norsea Gas 76/88	97.25	7.40	9.08	7.68	1.12.83—88S
7% Norsea Gas 77/89	96.50	7.25	9.67	7.51	1. 7.84—89S
9% Norsk Hydro 75/87	102.50	8.78	3.63	8.15	1. 3.80—87D
8% Norsk Hydro 76/88	100.50	7.96	5.81	7.87	1. 4.83—88S
6¾% Norsk Hydro 77/89	93.00	7.26	9.58	7.69	1. 6.82—89S
8¼% Norway 75/80	100.00	8.35	0.50	8.06	1. 5.80
8¼% Norway 75/80PP	100.00	8.25	0.58	8.11	1. 6.80
7¾% Norway 75/80	101.50	7.64	1.08	6.28	1.12.80
7% Norway 76/81	99.25	7.05	1.50	7.50	1. 5.81

Nutshell Survey

Selling pressure pushed yields up to 7¾-8% for 5 years—and 8⅛-⅜% for 10 years Bonds. New issue volume of DM 755 Mio was not well absorbed.

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
7¼% Norway 76/81	101.25	7.41	1.67	6.63	1. 7.81
6½% Norway 77/82	98.50	6.60	2.17	7.26	1. 1.82
6¼% Norway 77/82	97.25	6.43	2.42	7.51	1. 4.82
5¾% Norway 77/82	94.60	6.03	2.76	8.00	1. 8.82
4¾% Norway 78/83	91.75	5.18	3.17	7.78	1. 1.83
4¼% Norway 78/83	90.50	4.83	3.42	7.62	1. 4.83
6¼% Norway 79/84	94.90	6.59	4.43	7.64	1. 4.84
7¼% Norw. Mortgage 77/87	97.00	7.47	5.47	7.83	16. 5.83—87D
6% Norw. Mortgage 77/88	89.00	6.74	6.33	8.30	16.11.82—88D
7¾% Nova Scotia 71/86	100.50	7.71	3.93	7.74	1.12.77—86D
7% Nova Scot. Power 72/87	98.75	7.09	8.08	7.21	1.12.78—87S
6¾% Occident. Int. Fin. 73/80	90.50	7.46	11.08	8.08	1.12.85—88S
6½% Occident. Overs. 68/83	96.10	6.78	3.92	7.82	1.10.72—83S
[illegible] Oester. Bundes-Sch. 69/80PP	100.0	6.75	0.58	6.85	1. 6.80
6% Oester. Donaukr. 69/84 (G)	97.00	6.13	2.71	7.37	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	94.50	7.14	8.33	7.66	1. 3.79—88S
8¾% Oester. Draukr. 76/85 (G)	103.76	8.43	3.36	7.39	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	98.00	7.14	4.10	7.71	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83PP (G)	98.75	7.09	4.12	7.35	16.12.83
5½% Oest. Ind. Verwaltung 78/85PP (G)	88.50	6.21	5.67	8.10	1. 7.85
7% Oest. Kontrollbank 76/83PP (G)	99.00	7.07	4.08	7.29	1.12.83
6¾% Oest. Kontrollbank 77/84PP (G)	96.50	7.07	4.25	8.03	1. 2.84
6½% Oest. Kontrollbank 77/84PP (G)	98.75	6.58	4.67	6.81	1. 7.84
6¼% Oest. Kontrollbank 77/84PP (G)	93.00	6.72	4.75	8.07	1. 2.84
6% Oest. Kontrollbank 77/85PP (G)	91.00	6.59	5.00	7.84	1.11.85
6¾% Oest. Kontrollbank 78/84PP (G)	91.00	8.32	4.75	8.10	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	91.00	7.14	9.12	7.92	16.12.88
6% Oest. Kontrollbank 79/87PP (G)	92.00	6.52	7.26	7.48	1. 2.87
7¼% Oest. Länderbank 77/82	97.75	7.54	0.92	7.70	1.10.88
5½% Oest. Länderbank 7/82	94.60	5.82	3.08	7.56	1.12.82
6¼% Ontario 69/84	87.00	6.70	2.70	7.60	1. 2.75—84D
6% Ontario 72/87	94.00	6.38	4.14	7.74	1. 9.80—87D
7¼% Ontario Hydro 71/86	99.25	7.56	3.93	7.72	1.12.77—88D
8¼% Ontario Hydro 72/87	95.00	8.84	3.88	8.03	1. 6.80—87D
6¼% Ontario Hydro 73/88	93.25	6.82	4.54	7.74	1. 3.81—88D
6¼% Osaka 65/80 (G)	98.50	6.33	0.25	11.47	due 1. 2.80
5¾% Oslo 65/80	98.75	5.82	0.33	9.83	due 1. 3.80
7½% Oslo 69/84	101.25	7.41	2.83	7.14	1.11.75—84D
7¼% Oslo 71/87	98.25	7.63	7.17	7.97	2. 1.78—87S
6¾% Oslo 73/90	93.75	7.20	10.67	7.62	1. 7.76—90S
9% Oslo 75/87	102.00	8.83	3.81	8.34	1. 3.78—87S
6¾% Papua 73/88	96.00	7.03	8.67	7.38	1. 7.79—88S
6¾% Parker-Hannifin 77/87PP	94.00	7.18	5.51	8.13	1. 6.83—87D
7½% Parker-Hannifin 79/87PP	100.00	7.50	6.65	7.49	1. 7.85—87D
8¾% Pemex 76/83	102.25	8.56	4.09	8.07	1.12.83
7% Pemex 77/84	98.85	7.08	4.83	7.28	1. 9.84
7% Pemex 78/86	92.50	7.57	6.17	8.61	1. 1.86
7% Petrobras 77/84	85.50	7.33	4.92	8.14	1.10.84
7% Petrobras 78/88	90.50	7.73	6.83	8.91	1.10.84—88D
8% Petrobras 79/89	83.75	8.36	7.83	8.77	1.10.85—89D
7¼% Philippine 77/84	93.25	7.77	5.00	8.99	1.11.84
6¾% Philippine 78/85	90.10	7.49	5.42	9.13	1. 4.85
8¾% Philips 75/81PP	100.50	8.71	1.42	8.30	1. 4.81
8½% Philips 75/81PP	100.50	8.46	1.49	8.06	15. 4.81
8¾% Philips 75/82	101.75	8.60	2.37	7.88	15. 3.82
5¾% PK-Banken 78/88	88.00	6.53	6.42	8.22	1. 5.84—88D
9¼% Platm. Malmoe 75/80PP	100.00	9.25	0.50	9.04	1. 5.80
6¾% Postipankki 79/85PP	97.50	8.28	3.71	6.90	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83PP	97.50	7.44	3.42	3.09	1. 4.83
6¼% Pyrhn Autobahn 77/89 (G)	90.50	6.91	7.22	8.03	1. 9.84—89D
6½% Quebec 72/87	94.00	6.91	3.96	8.32	1. 7.78—87D
7½% Quebec 77/87	96.00	7.81	7.25	8.24	1. 2.87
7¼% Quebec 77/87	95.40	7.60	7.58	8.07	1. 6.87
6% Quebec 78/90	87.30	6.87	7.88	8.24	1. 5.85—90D
6¾% Quebec Hydro El. 69/94	99.50	6.78	4.23	6.97	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	100.00	7.25	2.78	7.38	1. 8.75—84D

WestLB Euro-Deutschmarkbond Yield Index

October 31, 1979: 8.00% (September 28, 1979: 7.37%)

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment
8% Quebec Hydro El. 71/86	101.00	7.92	3.68	7.83	1. 9.77—86D
6½% Quebec Hydro El. 72/87	94.35	6.89	3.71	8.31	1. 4.78—87D
6½% Quebec Hydro El. 73/88	94.25	6.90	4.07	8.20	1. 3.79—88D
6½% Quebec Hydro El. 77/87	94.00	6.91	7.79	7.54	16. 8.87P
6¼% Quebec Hydro El. 77/87	92.00	6.79	8.08	7.61	1.12.87P
8½% Queensland Alu 70/85	101.50	8.37	3.39	8.15	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	87.00	6.61	6.34	8.47	1. 4.84—88D
7¼% Reed Paper 73/88	97.00	7.47	3.17	7.72	1. 1.79 88S
8½% Renfe 76/82 (G)	100.75	8.44	2.67	8.14	1. 7.82
8% Renfe 77/84 (G)	100.00	8.00	4.42	7.38	1. 4.84
7% Renfe 79/87 (G)	91.50	7.65	7.58	8.55	1. 6.87
5¼% Ricoh Comp. 78/83	90.50	5.80	3.75	8.29	1. 8.83
6¼% Roy Lease 78/84PP	98.25	6.37	4.30	7.18	1.10.84
7¾% SAAB 71/86	99.25	7.81	6.58	8.05	1. 6.77—86S
7¼% Saga Petrokjemi 77/87PP	98.00	7.65	7.67	7.65	1. 7.83—87S
7½% Sandvik 72/87	98.25	7.63	3.55	8.07	1. 2.78—87D
9¼% Sandvik 75/83	105.50	8.77	3.25	7.27	1. 2.83
7% Sanko Steamship 77/84	96.25	7.27	4.25	8.06	1. 2.84
9% S.A.P.L. 75/80PP (G)	100.00	9.00	0.33	8.73	due 1. 3.80
6½% Shell Int'l. 72/87	98.20	6.62	7.42	6.31	1. 4.78—87S
6¾% Shell Int'l. 77/89	97.50	6.92	7.18	7.20	1. 2.85—89D
8¼% Ship. Co. New Zeal. 75/80PP (G)	99.12	8.32	0.59	9.63	3. 6.80
7% Siemens Europe 66/81	100.50	6.97	1.49	6.74	1.11.70—81S
7% Singapore 72/82	98.25	7.12	2.67	7.88	1. 7.78—82S
6½% Singapore 77/83	95.30	6.82	3.50	80.7	1. 5.83
8½% Sira Kvina 70/85	101.65	8.36	3.87	8.02	1. 6.76—85D
6½% S.N.C.F. 68/83 (G)	97.25	6.68	3.32	7.53	1.10.72—83S
7½% Soc. Dev. Reg. 76/86 (G)	98.60	7.61	3.62	7.94	1. 4.80—86D
6¼% Soc. Dev. Reg. 77/92PP (G)	86.00	7.27	8.23	8.68	16.12.83—92D
9% Soc. Mar. Fina 75/83PP	101.50	8.87	2.10	8.15	1. 5.79—83D
6¼% Sorrente 79/84PP	94.25	6.63	4.21	7.90	16. 1.84
6¾% South-Africa 69/84	99.00	6.82	4.42	7.14	1. 4.73—84S
8½% South-Africa 70/85	102.00	8.33	3.39	7.87	1.11.76—85S
7¾% South-Africa 71/86	100.00	7.75	7.00	7.50	1.11.77—86S
7% South-Africa 72/87	94.10	7.44	8.00	8.03	1.11.78—87S
8% South-Afr. Broadc. 78/81PP (G)	98.50	8.12	1.33	9.18	1. 3.81
7¼% South-Afr. Oil Fund 78/81 I PP (G)	97.00	7.47	2.00	8.95	1.11.81
7¼% South-Afr. Oil Fund 78/81 II PP (G)	97.50	7.44	2.04	8.63	16.11.81
7¾% South-Afr. Oil Fund 78/82 I PP (G)	98.00	7.91	2.75	8.57	1. 8.82
7¾% South-Afr. Oil Fund 78/82 II PP (G)	97.00	7.99	2.87	8.96	16. 9.82
8% South-Afr. Oil Fund 79/83PP (G)	98.00	8.16	4.00	8.61	1.11.83
7¾% South-Afr. Oil Fund 79/84PP (G)	97.00	7.99	4.33	8.59	1. 3.84

Continued on Page VIII

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

MARKET MAKERS

REGION 1 - BELGIUM

110 Dewaay, Sebille, Servais Van Campenhout & Cie
115 Kredietbank N.V.

REGION 2 - FRANCE

230 Banque Arabe et Internationale d'Investissement (B.A.I.I.)
235 Banque de l'Union Européenne
225 Banque Louis-Dreyfus
205 Banque Nationale de Paris
210 Credit Commercial de France Paris
215 Credit Lyonnais
218 E. F. Hutton Services S.A.R.L.
220 Interunion-Banque
270 Smith Barney Harris, Upham & Co. Inc.

REGION 3 - GERMANY/AUSTRIA

300 Commerzbank AG
305 Deutsche Bank AG
306 Dresdner Bank AG
307 Westdeutsche Landesbank Girozentrale
309 Creditanstalt Bankverein
310 Girozentrale und Bank der österreichischen Sparkassen AG

REGION 4 - ITALY

405 Banca Commerciale Italiana Milan
407 Banco Ambrosiano S.p.A.
409 Banco di Roma
415 Credito Italiano
420 Istituto Bancario Italiano
425 Istituto Bancario San Paolo di Torino
430 Monte dei Paschi di Siena

REGION 5 - LUXEMBOURG

505 Banque Générale du Luxembourg S.A.
510 Banque Internationale à Luxembourg S.A.
540 Bayerische Landesbank International S.A.
515 Dewaay Luxembourg S.A.
520 Kredietbank S.A. Luxembourgeoise
530 Swiss Bank Corporation (Luxembourg)

REGION 6 - NETHERLANDS

600 H. Albert de Bary & Co. N.V.
601 Algemene Bank Nederland N.V.
602 Amsterdam-Rotterdam Bank N.V.
603 Bank Mees & Hope N.V.
604 Barclays Kol & Co. N.V.
611 Centrale Rabobank Utrecht
612 Bank Van der Hoop, Offers N.V.
605 Bank Morgan Labouchere N.V.
610 F. van Lanschot
606 Nederlandsche Middenstandsbank N.V.
607 Nederlandse Credietbank N.V.
608 Pierson, Heldring & Pierson
609 Slavenburg, Oyens & Van Eeghen N.V.

REGION 7 - SCANDINAVIA

705 Bank of Helsinki Ltd. (Helsingfors Aktiebank)
755 Bergen Bank
760 Christianna Bank og Kreditkasse
740 Den norske Creditbank
750 Den Denske Bank of 1871 Aktieselskab
710 R. Henriques jr. Bank-Aktieselskab
715 Kansallis-Osake-Pankki
720 Kjögenhavns Handelsbank
745 Postipankki
730 Privatbanken Aktieselskab
735 Skandinaviska Enskilda Banken
725 Union Bank of Finland (Nordiska Föreningsbanken AB)

REGION 8 - SWITZERLAND

800 Bondpartners S.A.
805 Credit Suisse/Swiss Credit Bank
860 Swiss Bank Corporation
870 Union Bank of Switzerland

REGION 9 - UNITED KINGDOM

901 Akroyd & Smithers Limited
904 Amex Bank Ltd.
902 Bank of America International Ltd.
903 Bank Julius Baer International
905 Bankers Trust International Limited
910 Banque Francaise de Credit International Ltd.
907 Bondtrade
909 Chase Manhattan Ltd.
908 Chemical Bank International Ltd.
911 Citicorp International Bank Limited
912 Continental Illinois Limited
914 Credit Suisse First Boston Ltd.
913 Daiwa Europe N.V.
915 Deltec Trading Company Limited
920 Dillon, Read Overseas Corporation
922 Dominion Securities Limited
925 European Banking Company Ltd.
930 First Chicago Limited
931 Goldman Sachs International Corp.
932 Hambros Bank Limited
933 IBJ International Limited
934 Hill Samuel & Co. Ltd.
935 Kidder Peabody Securities Limited
938 Loeb, Rhoades
939 Kuhn, Loeb Lehman Brothers Inc.
936 Manufacturers Hanover Limited
937 McLeod, Young, Weir International Limited
940 Merrill Lynch, Pierce, Fenner & Smith (Brokers & Dealers) Ltd.
941 Morgan Stanley International
945 Nesbit, Thomson Limited
942 The Nikko Securities Co. (Europe) Ltd.
943 Nomura Europe N.V.
946 Orion Bank Limited
948 Pinchin, Denny & Co.
947 Salomon Brothers International Ltd.
950 Samuel Montagu & Co. Ltd.
955 Scandinavian Bank Limited
960 Strauss, Turnbull & Co.
962 Sumitomo Finance International
964 Vickers, da Costa & Co. Ltd.
965 S. W. Warburg & Co. Ltd.
967 Wedd Durlacher Mordaunt and Co.
970 Westdeutsche Landesbank Girozentrale
975 White Weld Securities
977 M. S. Wein & Co. Inc.
980 Wood Gundy Ltd.
990 Yamaichi International (Europe) Ltd.

REGION 10 - UNITED STATES

10 Arnhold and S. Bleichroeder Inc.
15 Bear Stearns & Co.
20 Drexel Burnham Lambert Inc.
30 Kidder, Peabody & Co. Inc.
32 Lehman Bros. Kuhn, Loeb Inc.
33 Lazard Freres & Co.
35 Merrill Lynch, Pierce Fenner Smith Inc.
60 Salomon Brothers
80 Atlantic Capital Corporation

REGION 11 - MIDDLE EAST

005 The Arab Co. for Trading Securities S.A.K.

[illegible]	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	BOND PRICE/ SHARE PRICE	CUR. BOND YLD/ CUR. SHARE YLD	YIELD TO MATURITY/PER.	[illegible] CALL PRICE	[illegible] CALL DATE	PREMIUM [illegible]	CONV. PRICE/ DATE OF CONV. START
		CONVERTIBLES-U.S. (CONTINUED)							
25	1968	STAPLE INT	88 1/8	5.33	5.44		30	3.74	$U 28.222
15.0	100.00	4.75 15/ 5/1988	15 3/4	3.30	10.00	102	1979	1982	1/ 1/1969
30	1972	SOUTHLAND	60 1/8	6.24	[illegible]		30	3.73	$U 36 1/4
20.0	100.00	5.00 15/ 7/1987	28	3.00	8.00	102 1/2	1979		1/ 2/1973
40	1973	SPERRY RAND	85 1/8	4.99	6.64		[illegible]	.20	$U 51 1/2
60.0	100.00	4.25 15/ 2/1988	43 3/4	3.37	6.00	102	1979		15/ 3/1974
50	1972	SQUIBB INT FIN	73 3/8	5.64	8.81		30	23.19	$U 57
50.0	100.00	4.25 15/ 6/1987	34 7/8	3.10	13.00	102 1/2	1979		15/ 3/1973
75	1968	TEXACO OPERATIONS-EUROPE	73 1/2	6.22	9.16		30	16.16	$U 44 1/4
75.0	100.00	4.50 1/ 7/1988 S	28	7.71	5.00	102	1979		15/ 4/1969
25	1978	TEXAS INT AIRLINES	70 3/8	10.66	11.93			25.30	$U 14 1/2
25.0	100.00	7.50 15/ 6/1993	8 1/8	1.97	7.00	105 1/2	1979		15/12/1978
7	1969	THERMO ELECTRON INT	94	7.45	8.60		30	79.92	$U 45.22
5.4	100.00	7.00 1/ 7/1984	23 5/8			103 1/2	1979	DM1977	15/ 1/1970
10	1968	TRW INT	81	6.17	8.26		30	17.72	$U 52 1/2
10.0	100.00	5.00 1/ 2/1988	36 1/8	[illegible]	6.00	102	1979	1978	1/ 2/1969
25	1969	TYCO INT FIN	69 7/8	7.28	15.15		30	[illegible]	$U 61 1/2
[illegible]	100.00	5.00 1/ 3/1984 S	20 1/4	4.94	7.00	101 1/2	1979		1/11/1969
7	1975	TYCO INT FIN - 2ND ISSUE	70 1/4	7.24	14.99		30	113.35	$U 61 1/2
7.2	75.50	5.00 1/ 3/1984 S	20 1/4	4.94	7.00	102 1/2	1979		3/ 5/1978
25	1978	TYCO INT FIN	95 7/8	8.87	9.20		30	-.57	$U 21
25.0	100.00	8.50 15/ 4/1988	20 1/4	4.94	7.00	105	1979		15/ 9/1978
30	1967	UNION CARBIDE INT	88 1/2	5.44	9.98		30	25.79	$U 56 1/2
38.6	100.00	4.75 1/ 7/1982 S	39 3/4	7.23	5.00	100	1979		1/ 5/1968
30	1969	WALTER KIDDE FIN	79 3/8	6.30	8.27		30	42.18	$U 63.16
30.0	100.00	5.00 1/ 2/1989	33 1/4	4.54	5.00	102 1/4	1979	DM1980	1/ 9/1969
15	1968	WARD FOODS O/S	60 1/4	9.54	13.70		30		$U 47.89
15.0	100.00	5.75 1/11/1988	7 3/4		7.00	102 3/4	1974	DM1979	1/ 6/1969
15	1966	WARNER-LAMBERT	86	5.00	16.58		30	-.48	$U 23
1.2	100.00	4.25 1/ 3/1981 S	19 7/8	6.64	7.00	100	1979		2/ 6/1967
30	1973	WARNER-LAMBERT	63 1/8	6.73	11.26		30	95.23	$U 61 1/2
30.0	100.00	4.25 1/ 4/1988	19 7/8	6.64	7.00	102	1979		1/ 4/1976
40	1972	WARNER-LAMBERT	68 5/8	6.56	10.86		30	65.74	[illegible]
40.0	100.00	4.50 1/ 4/1987	15 7/8	6.64	7.00	102	1979		1/ 4/1973
20	1968	WARNER-LAMBERT	82 1/2	5.46	7.18		30	21.06	$U 29
7.5	100.00	4.50 1/ 8/1988 S	19 7/8	6.64	7.00	102	1979		1/ 5/1969
75	1973	XEROX CORPORATION	67 3/8	7.42	10.31		30	68.65	$U 148
75.0	100.00	5.00 1/12/1988	59 1/8	4.06	9.00	102	1979		1/ 1/1975

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD.

(A subsidiary of dataSTREAM International)

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & yields as at 31st October, 1979

SOCIETE GENERAL De BANQUE
BANQUE GENERALE Du LUXEMBOURG

Fund	31/10/79 Price	First Issue Price	Yield %	Div. Date	1/11/78 High	31/10/79 Low	1/11/76 High	31/10/79 Low
Rentinvest	LuxFr 826	LuxFr 1000	8.54	20/11/79 (F65)	LuxFr 860	LuxFr 814	LuxFr 918	LuxFr 814
Capital Rentinvest	LuxFr 1365	LuxFr 1000	(Capitalisation)		LuxFr 1430	LuxFr 1361	LuxFr 1430	LuxFr 1132

WestLB Euro-Deutschmarkbond

Quotations (Continued)

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D-mandatory drawing by lot at par S-sinking fund P-purchase fund
7½% South-Afr. Railway 73/88 (G)	95.85	7.82	8.68	8.16	1. 8.79—88S
9¼% South-Afr. Railway 75/80PP (G)	100.00	9.25	0.58	9.07	1. 6.78—80D
9¼% South-Afr. Railway 75/80PP (G)	100.00	9.25	0.67	9.11	1. 7.80
8¼% South-Afr. Railway 77/80PP (G)	99.00	8.33	0.75	9.58	1. 8.79—80D
8% South-Afr. Railway 78/81PP (G)	96.25	8.31	1.17	11.55	2. 1.81
7¾% South-Afr. Railway 78/82PP (G)	98.00	7.91	2.80	8.64	1. 5.82
8% South-Afr. Railway 78/83 I PP (G)	97.75	8.18	3.57	8.72	1. 7.83
8% South-Afr. Railway 78/83 II PP (G)	97.75	8.18	3.83	8.70	1. 9.83
7¾% South-Afr. Railway 78/83PP (G)	97.00	7.99	4.08	8.65	1.12.83
7% South Scotl. El. 73/88 (G)	96.40	7.26	8.25	7.60	1. 2.79—88S
6¾% Spain 77/84	97.00	6.96	4.75	7.51	1. 8.84
6% Spain 78/88	89.50	6.70	8.50	7.72	1. 5.88
6% Sparbank Oslo 78/90PP	89.75	6.68	5.71	8.31	16. 5.81—90D
7¾% Standard Imp. & Exp. 78/82PP	98.50	7.87	2.75	8.39	1. 8.82
6½% Stand. Chart. Bank 78/88	91.00	7.14	8.17	8.04	1. 1.88
6% Statoil 78/88 (G)	88.70	6.76	8.83	7.81	1. 9.84—88S
6½% Statoil 79/89 (G)	92.00	7.07	9.33	7.73	1. 3.86—89S
7% Statsfoeretag 77/85	96.60	7.25	5.33	7.79	1. 3.82—85D
10% Steiermark 74/80PP	100.00	10.00	0.92	9.98	1.10.80
8¾% Stockholm County 75/87	102.00	8.58	3.71	8.06	1. 4.79—87D
8½% Sumitomo Metal 75/82	100.75	8.44	2.67	8.14	1. 7.82
7½% Sun Oil Int. Fin. 73/88	99.60	7.53	8.75	7.56	1. 8.79—88S
7¾% Svenska Cell. 73/88	98.25	7.38	8.25	7.53	1. 2.79—88S
9% Svenska Tændst. 75/85	100.65	8.94	2.71	8.88	1. 3.80—85S
6¾% Sveriges Inv. Bk. 72/87	96.75	6.98	7.33	7.33	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	98.00	7.14	8.33	7.32	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	100.30	8.47	2.03	8.28	1. 8.80—83S
6½% Sweden 77/84	95.75	6.79	4.50	7.64	1. 5.84
6% Sweden 77/89	88.50	6.78	10.08	7.88	1.12.83—89S
7¾% Sweden 79/89	100.25	7.73	9.67	7.70	1. 7.89
7½% Sweden 79/89PP	98.75	7.59	9.75	7.68	1. 8.89
9½% Taisei Corp. 75/80PP	100.50	9.45	0.37	7.86	16. 3.80
8½% Tauernautobahn 74/81 (G)	103.25	9.20	1.67	7.31	1. 7.81
9% Tauernautobahn 75/82PP (G)	101.75	8.85	2.33	8.11	1. 3.82
9% Tauernautobahn 75/83PP (G)	101.00	8.91	3.33	8.61	1. 3.83
6¼% Tauernautobahn 78/93 (G)	84.50	5.51	13.42	7.35	1. 4.84—93S
7% Tauernkraftwerke 68/83 (G)	101.00	6.93	2.23	6.61	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	98.40	6.61	3.83	7.10	1. 9.74—83S
8% Tenpfinco 73/93	100.75	7.94	8.05	7.87	1.11.82—93S
9½% Tenpfinco 75/82PP	102.00	9.31	2.33	8.48	1. 3.82
6¾% Thailand 78/83PP	94.00	8.65	3.42	8.32	1. 4.83
8½% Thyssen Car. Fin. 75/82PP	103.00	8.25	2.42	7.07	1. 4.82
8¼% Thyssen Car. Fin. 75/82PP	102.00	8.09	2.67	7.37	1. 7.82
6½% Thyssen Inv. 66/81	99.25	6.55	1.33	7.07	1. 3.72—81D
7¾% Tokyo El. Power 69/84	99.15	7.31	3.01	7.71	1.12.75—84D
6½% Tokyo El. Power 79/85	93.70	6.94	5.60	7.94	1. 5.85
9½% Toray Ind. 75/80PP	100.00	9.50	0.27	9.18	due 10. 2.80
5½% Toyo Rubber 78/83PP	92.50	5.95	3.92	7.79	1.10.82
6½% Traf. House Fin. 72/87	96.90	6.71	7.92	7.02	1.10.78—87S
6% Trinidad & Tobago 78/83	94.00	6.38	3.42	8.06	1. 4.83
6¾% Trondheim 68/83	97.50	6.92	4.08	7.61	1.12.72—83S
5¾% Trondheim 78/88	89.25	6.52	7.39	7.90	1. 4.86—88D
7½% T R W Int. Fin. 69/84	100.50	7.46	2.85	7.43	1.10.75—84S
6% T V O Power 78/88 (G)	88.00	6.82	8.25	8.04	1. 2.84—88S
5¾% UDS Group 78/83	91.75	6.27	3.83	8.34	1. 9.83
9¾% Unilever 74/81PP	102.75	9.49	2.08	8.24	1.12.81
8½% Unilever 76/87	104.25	8.15	4.84	7.40	1. 5.81—87S
6½% Union Bank Finland 78/88	90.75	7.16	9.12	7.96	15.12.84—88S
5¾% Uniroyal 78/84PP	91.00	6.32	4.75	8.10	1. 8.84
6¾% Unit. Arab Emirate 77/82PP	94.50	7.14	2.50	9.28	30. 4.82
7% Venezuela 68/83	99.25	7.05	3.92	7.35	1.10.74—83S
6% Venezuela 78/88	89.25	6.72	8.33	7.79	1. 3.84—88S
6½% Venezuela 78/90	88.00	7.39	11.00	8.20	1.11.85—90S
7% Vienna 68/83	99.75	7.02	3.58	7.20	1. 6.74—83S
8¼% Vienna 75/84	102.00	8.09	2.88	7.38	1. 8.78—84D
5¾% Vienna 77/84PP	92.00	6.25	5.12	7.69	15.12.84
8½% Voest-Alpine 73/88	103.25	8.23	4.86	7.67	1.10.79—88S
8½% Voest-Alpine 75/85	101.85	8.35	3.51	7.85	1. 6.81—85D
6¾% Voest-Alpine 77/89	94.25	7.16	6.97	7.84	1. 6.84—89D
6½% Wells-Fargo ex w. 73/88	97.00	6.70	9.00	6.96	1.11.79—88S
5½% Worldbank 65/85	98.00	5.61	5.42	6.02	1. 4.71—85S
6½% Worldbank 68/80	99.40	6.54	0.75	7.29	1. 8.80
6½% Worldbank 68/84PP	96.00	6.77	2.62	8.24	2. 1.77—84D
6½% Worldbank 69/84	95.75	6.79	2.50	8.59	1. 6.75—84D
6½% Worldbank 69/84PP	96.00	6.77	2.62	8.24	2. 1.77—84D
6% Worldbank 69/84PP	95.60	6.28	2.34	8.16	1. 4.77—84D
8½% Worldbank 70/80	100.50	8.46	0.75	7.92	1. 8.80
8% Worldbank 70/88	100.50	7.96	3.56	7.82	1. 1.77—86D
7½% Worldbank 71/86 I	98.75	7.59	3.43	7.91	1. 6.77—86D
7½% Worldbank 71/86 II	97.85	7.66	3.93	8.15	1.12.77—86D
6½% Worldbank 72/82	97.00	6.70	2.67	7.77	1. 7.82
6¾% Worldbank 72/87	95.85	7.04	3.83	8.10	1. 3.78—87D
6¾% Worldbank 73/83	97.75	6.91	3.25	7.54	1. 2.83
6¾% Worldbank 73/88	94.50	6.75	4.25	7.93	1. 5.79—88D
8¼% Worldbank 75/82PP	101.00	8.17	2.68	7.77	1. 6.82
8% Worldbank 75/82	101.85	7.85	3.08	7.30	1.12.82
8¼% Worldbank 75/83	102.00	8.09	3.67	7.58	1. 7.83
8% Worldbank 76/82PP	99.00	8.08	2.75	8.40	1. 8.82
7¾% Worldbank 76/82PP	98.00	7.91	2.92	8.54	1.10.82
7½% Worldbank 76/83	99.75	7.52	3.50	7.56	1. 6.83
7¾% Worldbank 76/85	101.00	7.67	3.92	7.44	1.10.83
6¾% Worldbank 76/83PP	96.00	7.03	4.08	7.93	1.12.83
8% Worldbank 76/84	100.90	7.93	4.25	7.73	1. 2.84
5½% Worldbank 77/82PP	93.25	5.90	2.87	8.22	15. 9.82
7% Worldbank 77/85PP	97.50	7.18	5.33	7.57	1. 3.85
6½% Worldbank 77/85PP	95.00	6.84	5.50	7.63	1. 5.85
6% Worldbank 77/85	91.50	6.56	5.87	7.88	15. 9.85
7% Worldbank 77/87	93.50	7.49	7.17	8.23	1. 1.87
6½% Worldbank 77/87	90.75	7.16	7.50	8.19	1. 5.87
5¾% Worldbank 78/84	90.85	6.33	4.75	8.14	1. 8.84
6% Worldbank 78/88	87.25	6.88	8.76	8.08	1. 8.88
6¼% Worldbank 78/88	89.35	6.99	9.08	7.84	1.12.88
5¾% Worldbank 78/90	86.75	6.63	8.70	7.91	1. 2.87—90D
7% Worldbank 79/85PP	97.62	7.17	5.74	7.52	1. 8.85
7¼% Worldbank 79/87PP	94.50	7.54	7.75	8.10	1. 8.87
7¾% Worldbank 79/91	97.70	7.93	11.67	8.05	1. 7.91
6¾% Yokohama 68/83 (G)	98.90	6.83	3.83	7.20	1. 9.72—83S
7% Yokohama 69/84 (G)	99.25	7.05	4.91	7.31	30. 9.73—84S
8% Yokohama 71/86 (G)	100.00	8.00	6.75	7.99	1. 8.77—86S
8¾% Yoshida Kokyo 75/80PP	100.00	8.75	0.67	8.62	1. 7.80
8% Yugosl. Inv. Bank 77/84PP	99.00	8.08	5.12	8.24	15.12.79—84S

THE JAPANESE ECONOMY: BY CHARLES SMITH IN TOKYO

Clouds over the Rising Sun

BEFORE THE Tokyo summit last June, a Tokyo newspaper conducted a straw poll in which locally based foreign correspondents were asked to award marks for the economic performance over the past year of seven selected countries. The correspondents unanimously gave Japan an "A" for its success in combining high economic growth with price stability and for going some way towards meeting the demands of fellow summit participants for an increase of its manufactured imports.

Today it is unlikely that there would be anything like the same degree of unanimity. The economy is still growing briskly (at an estimated rate of just under 6 per cent for the calendar year) and consumer prices are rising more slowly than in the West. But the recurring world oil crisis has cast a serious cloud over the country's medium-term economic prospects.

At first glance it is not difficult to see why there should be worries. Japan depends on imported oil more heavily than any other major country in the world and is thus paying very dearly indeed for this year's OPEC price increases. The 80 per cent price rise for crude oil which will probably have occurred over the 12 months up to next December translates into an additional $10bn on Japan's import bill. This in turn means a huge red figure in the current account of the balance of payments.

"The consensus of professional forecasters in Japan (leaving aside a few chronic optimists) is that GNP will grow little if at all, during the first half of 1980 and will recover only gradually during the second half of the year . . ."

Accumulation

Japan can afford a payments gap in the short run, having accumulated a huge $33bn worth of reserves by the beginning of this year. What it may not be able to afford is the pressure on its exchange rate and the internal inflationary pressures that are being generated by higher oil prices.

Partly because of the economy's reputation for being vulnerable to energy shortages and partly because Japanese interest rates are low compared with those in the U.S., the past few months have seen a speculative outflow of hot money from Japan, which has added greatly to the exchange rate impact of the OPEC price increases taken on their own. The yen, which hit an all-time high when $1 equalled Y175 in October last year, is now floating at around Y240 to the U.S. dollar, a devaluation of 27 per cent. Wholesale prices, spurred by higher oil prices and by the impact of the weakness of the yen on the domestic prices of imported raw materials, have surged to the point where, at the end of October, the index was running 14 per cent ahead of its level of a year ago.

The Japanese Government was reluctant throughout most of the spring and summer to admit that a second oil crisis could do as much damage to its economy as the now legendary 1973 oil crisis (when the Government was panicked into introducing what subsequently turned out to be excessively severe credit restraints). The Bank of Japan's discount rate was raised in April by a cautious 0.75 percentage point and by another point in July. But these increases still left Japanese interest rates far short of the levels obtainable in the U.S.

By early autumn, however, the second oil crisis, and its accompanying threat of uncontrollable wholesale price inflation, were starting to be seen in their true colours. The Bank of Japan raised the discount rate by another percentage point ten days ago in the midst of a leadership crisis within the ruling Liberal Democratic Party which meant that politicians had very little part in the decision. The Central Bank's "window guidance" on loans by commercial banks to the private sector has also been tightened drastically for the final quarter of the year. This would seem to indicate that the authorities regard oil-price generated wholesale price inflation as serious enough to call for a full-scale credit squeeze.

The reaction of the economy to this package of measures has yet to become apparent. What appears likely to happen, however, is that the strong consumer demand and vigorous private investment expenditure which distinguished the economy early this year will disappear abruptly by next January.

The consensus of professional forecasters in Japan (leaving aside a few chronic optimists) is that GNP will grow little, if at all, during the first half of 1980 and will recover only gradually during the second half of the year (as prices, it is hoped, begin to stabilise under the impact of official tight money policies). A growth rate of 2 per cent to 3 per cent for the economy during fiscal 1980 (the 12 months ending on March 31, 1981) is a popular guess at present. The figure could be even lower if recovery in the second-half of the year took longer to materialise or was weaker than the majority view assumes.

One reason for doubt about recovery prospects in the second half of next year is that government action to stimulate the economy (assuming stimulus is felt to be necessary) will be limited to the relaxation of monetary restraints. Fiscal policy, which might otherwise have played an important role, is an area where Japan has virtually no room left for manoeuvre.

Fiscal dilemma

The fiscal dilemma (which has not been made any simpler by the outcome of last month's general election in which the Liberal Democratic Party barely retained its majority) is that the Government is technically "bankrupt" thanks to a 40 per cent gap between budgetary revenue and tax income. The gap has been (and will continue to be) plugged by the issue of long-term bonds on a monumental scale. But there are limits to the amounts of such bonds that can be absorbed by Japan's tightly regulated capital market — and consequently limits to the extent to which public spending can be used to stimulate the economy.

If the optimists are correct in assuming that the economy will, nevertheless, pick up at some time during the second half of 1980, they are likely to be proved right for one of two reasons. The first is that private investment retains an underlying strength which may be only temporarily overlayed by the effects of tight money policy in the first six months of next year. Private investment is strong, basically, because there was so little of it during the three years after the 1973 oil crisis that pent-up demand now exists for the replacement of old industrial facilities.

The second reason for expecting an economic recovery in the second half of next year is that Japanese exports should rebound. Japan spent much of 1978 deliberately restraining exports to other advanced nations and was "rewarded" in the first quarter of 1979 when the volume of exports actually fell by 5.6 per cent from year-ago levels.

The restraints which were in force early this year have been gradually dismantled during the past few months. Meanwhile, the cheaper yen has made exports a profitable proposition even for industries, such as textiles, which would have lost money heavily had they sold abroad while the rate was below Yen 200 to the dollar. All this, in the view of the experts, should produce a very substantial recovery of Japanese exports at some time in 1980, perhaps to the extent that export volume for the year will rise as much as 10 per cent above the expected 1979 level.

If there is a good prospect that exports will pick up next year, there is an even stronger probability that imports will level off (in volume) thanks to the reduced domestic demand that will result from tight money. This should mean a widening of the trade surpluses with developed western trade partners (the U.S. and western Europe) which have caused so much trouble in previous years, but about which there has been silence during much of 1979.

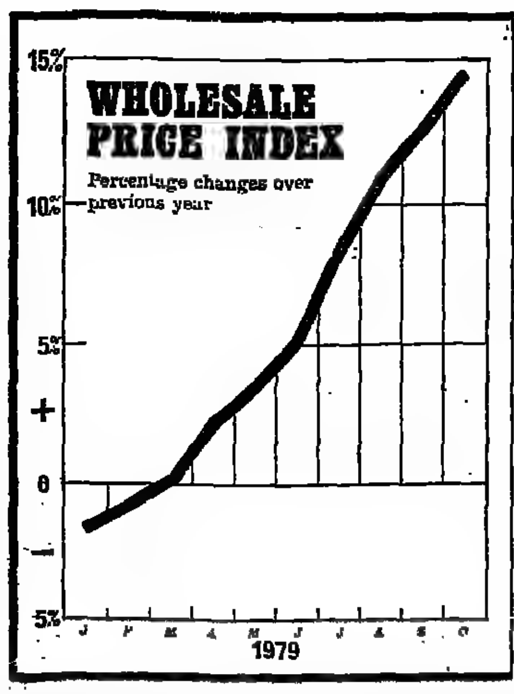
Another potentially serious result of changes in Japan's trading patterns next year could be a very sharp fall in imports from New Industrial Countries' (NICs) such as Korea, Taiwan, Hong Kong, or the Philippines. The Asian NICs, nearly all of whom depend heavily on the Japanese market, were increasing their sales to Japan by an average of 63 per cent over the levels of the previous year (in current dollar terms) during the second quarter of 1978, but by only 32 per cent in the third quarter.

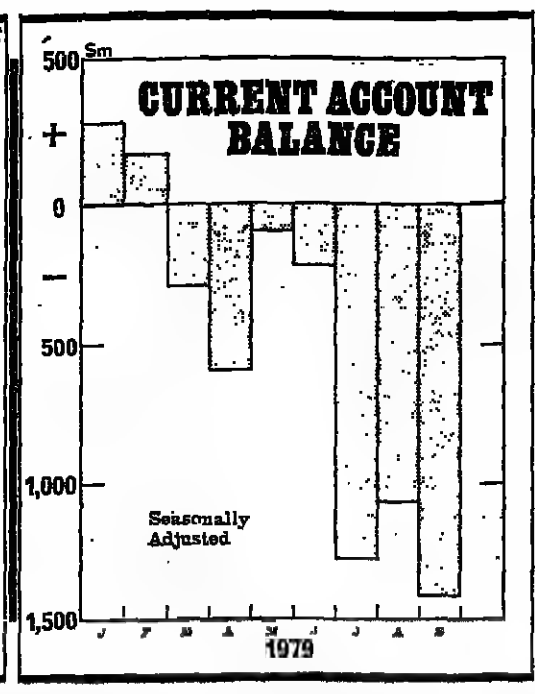
NIC problems

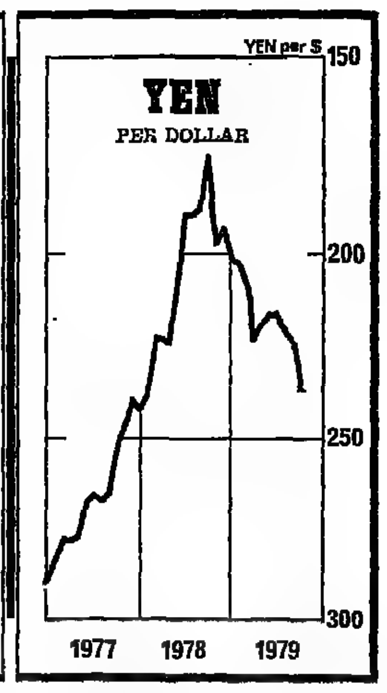
A zero growth rate or contraction of NIC exports to Japan in the second half of 1980 could give rise to serious economic problems in the countries concerned, perhaps feeding through into political problems for a few of the weaker brethren.

The confidence of Japanese economic forecasters that things will start to get better in the latter half of 1980 (assuming that there is no new upsurge in oil prices) should not be misread as complacency. Japanese bureaucrats and businessmen are extremely apprehensive about the dangers the economy faces in a situation of recurring (if not continuous) energy crises. They are also at least as much aware as anyone in the West that a lack of natural resources is the most serious flaw in their economy.

What they do claim is that Japan may get through this year's oil crisis in slightly better shape than it survived its predecessor in 1973. Western observers who remember the panic that descended on Tokyo in the winter of 1973-74 and the swift recovery that followed may be tempted to agree.







Letters to the Editor

Paying for the CAP

From Messrs. R. Bacon and W. Godley

Sir,—It is simply incorrect to maintain as Mr. Gardner and other correspondents do in their letters (November 7) that the present system of budgetary transfers between EEC countries cannot be fundamentally altered without reforming the common agriculture policy itself. The support of European agriculture behind a tariff barrier could continue exactly as at present with a radically different method of distributing the financial burden that this necessarily imposes, just as the structure and scale of public expenditure within a country is consistent with any number of alternative configurations of how the tax burden falls.

The point is extremely important because a significant reform of CAP, necessary as this is, is bound to take a long time if only because of the widespread and complex social and political implications within individual countries. Radical reform of the transfer system, using new corrective mechanisms, could be implemented without any delay at all.

Richard Bacon
Wynne Godley
Department of Applied Economics,
University of Cambridge,
Sidgwick Avenue, Cambridge.

Tax and Price Index

From Mr. J. Birkett

Sir,—With reference to Sir Claus Moser's criticism (November 8) of the Tax and Price Index, surely the sensible solution would be to revise the index of retail prices by excluding all indirect taxes.

Indirect taxes are the result of deliberate government policy, for specific fiscal or ideological reasons, just as direct taxes are, and there seems no justification to include their distorting effect in an index whose purpose should be to measure objectively the real underlying increase (or decrease) in general consumer prices.

J. H. Birkett.
53, Roselands,
Hoddesdon, Herts.

Pressures on British Steel

From Dr. J. M. Kay

Sir—Your leader on the subject of British Steel (November 7) defends the Government's policy of non-interference in management decisions and supports the Corporation's case that a viable steel industry in this country can only be achieved by bringing capacity into line with demand. This would be fine if the basic problem really was one of overcapacity and if the favoured plants at which BSC seeks to concentrate its production were in fact technically sound and capable of efficient operation. Unfortunately the real facts are rather different.

The basic BSC problem is the loss of its market share rather than over-capacity as such. This is particularly evident in the case of strip-mill products where imports have risen steadily in recent years and now account for between 40 per cent and 50 per cent of UK domestic demand. Closure of steelmaking at Shotton and Corby will lead to increased steel imports rather than to a significantly improved loading of other BSC plants such as Ravenscraig or Teesside. It is wishful thinking to imagine that the over-invested major plants in South Wales and on Teesside offer any special economic or technical advantages. There is no possibility, for example, that the much publicised Redcar iron-making complex even when fully loaded could ever achieve savings in operating costs per tonne to provide a financial return on the £400m investment incurred. A single large blast furnace (compared with three or four medium-size furnaces) constitutes an operating nightmare without any compensating cost-saving. It is equally wishful thinking to claim that recent performance at Port Talbot and Llanwern has greatly improved. Over what period is this comparison being made? The fact is that operating standards at these two works have fallen over the past seven years to a deplorable degree. Llanwern cannot now achieve the standards of quality and accuracy of gauge in its strip mill products which were regularly achieved prior to 1972.

The right solution to the problems of British Steel would be a return to competitive trading by automonous works operating as separate companies, or at least as separate profit centres, with full responsibility for selling their products. If customers had a choice of independent UK suppliers they would buy less steel from abroad. In terms of real production costs, Shotton and Corby would be well able to survive in this situation.

It is ironic that a Government pledged to the principles of competition and a free economy should give the management of BSC a free hand to destroy those remaining assets at works such as Shotton and Corby which could best form a basis for a future revival of the UK steel industry under a competitive system.

J. M. Kay.
Church Farm, St. Briavels,
Nr. Lydney, Glos.

Shotton and Corby

From Mr. R. Jobling

Sir,—Your leader "Pressures on British Steel" (November 7) admits that Shotton and Corby would both face "difficult social problems" if the threatened closures go ahead.

In Corby at least current and prospective problems all stem from deliberate national policy, whereby a "new town" was built solely to supply the labour needs of a single industry and employers—steel. That industry sought and was granted continuing privilege and protection of its captive labour force, via the exclusion of alternative employers who were refused Industrial Development Certificates. This went on until it was already too late for there to be any hope of rescuing Corby from its total reliance on steel.

There can be no doubt that 1980 (and the years that immediately follow) will be the worst time since the 1930s to seek new work for the 6,000 + men threatened with redundancy by BSC even taking into account the moves reported on November 8. Even so-called "generous treatment," as you put it, cannot compensate those men; and their sons and daughters who must leave school jobless and receive no BSC payments at all.

BSC's own documents confess that job creation schemes cannot come near solving Corby's problems. They have (and I quote BSC) only "presentational value" in the effort to convince the workforce and unions that they should accept closure. The truth is that if closure takes place, the community faces very high persistent unemployment, and very severe social problems.

You counsel the unions not to fight closure. If they do not, and if it occurs, the legacy of bitterness will plague the industry for years to come. As it is the sense of injustice felt in Corby is intense. Its plight is a poor reflection on the country's post-war efforts to plan our industry and social affairs.

R. G. Jobling
St. John's College,
Cambridge.

Mythical buses

From the Editor, Railway Gazette International

Sir,—The idea advanced in your November 8 leader that rural railways can be replaced by "guaranteed" buses is a myth. The 40-odd lines identified as candidates for the next round of closures are essentially those which survived the Beeching axe because bus replacement was particularly difficult. The Cambrian coast line, for instance, crosses estuaries in places where they are not bridged by roads suitable for buses.

The Central Transport Users Consultative Committee and the National Consumer Council have both produced evidence showing why most railway replacement buses fade away through lack of use. Grafting a service artificially constrained to replace an abandoned railway on to the existing local bus network is nonsense, and operators act accordingly. Why on earth should an express bus duplicating stage carriage service from, say, Cromer to Norwich be "guaranteed" when the Dereham-Norwich bus is not? Within a matter of weeks, somebody will note that the first and last railway replacement buses of the day each carry three passengers, and the process of merging them into the local bus network, with consequent degredation of service quality, will begin.

Your leader writer is not correct in implying that dedicated rail-feeder buses have yet to be tried. Three years ago British Rail put on an express bus from Corby to Kettering station, timed to connect with trains and designed to demonstrate this very principle. Receipts covered barely a quarter of costs, and a year later the express service was "merged" into the local 251 and 252 bus routes—with none of the fanfare attendant on the opening!

There may yet be a case for closing some lines, but let us stop pretending that people are being perverse in refusing to recognise that buses in BR livery would be every bit as good as trains. The public has been here before, and fights to keep the railway because it represents a tangible link which is not easily whittled away—as so many rural bus routes have been in the past 20 years.

Richard Hope.
Dorset House,
Stamford Street, SE1

Sponsorship is serious

From the Director, Incorporated Society of British Advertisers

Sir,—I really must take exception to some of the remarks in Iain Murray's article (November 8) about sponsorship. It is one thing to say, as you quote John Carson, that "the whole area is under-researched"—this is undoubtedly true. It is quite another thing for Mr. Murray to say that industry "has only the vaguest idea of what, if anything, it gets in return" and that sponsorship is "a weapon wielded more for fun than for any precise purpose."

Statements of this kind, with little or no evidence to back them up, do nothing to help companies who are looking seriously at sponsorship, or to help those sports and arts activities which are considering approaching sponsors. By all means let us encourage all parties to be realistic about their objectives—but don't just knock everybody indiscriminately.

I know of many companies who carry out sponsorship activities in which they, and only they, know what their objectives are. There is absolutely no reason for them to spell them all out on the platform, particularly if a journalist is then going to make sarcastic remarks about them—but this does not mean that their objectives, costs and benefits are not clear to them.

It is recognised by most people in the marketing area that to comment (favourably or not) on someone else's advertising is fairly meaningless unless you are clear what their objectives are. How much more is this true in areas of indirect promotion, like sponsorship? Companies who have improved their overall communication with the public, the trade and informed opinion using a number of channels, including sponsorship, may not be able to measure the precise contribution of each individual activity, but they will be certainly satisfied that each element has contributed to the total "marketing mix."

My remarks are not meant to indicate that we or advertisers are complacent on this subject—on the contrary, we think that research and tight planning of all advertising and promotional activities must be right. But general statements knocking British industry and sponsorship as a whole will not really be very helpful in improving an area which certainly has scope for improvement.

Kenneth Miles.
2, Basil Street, SW3.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher speaks at Lord Mayor of London's banquet, Guildhall.

Mr. Len Murray, general secretary, Mr. David Basnett, economic committee chairman, and other TUC leaders, discuss industrial and social problems with Northern Ireland Committee of the Irish Congress of Trades Unions, Belfast.

First ore carrier unloads at Hunterston.

New products exhibition opens, Building Centre, London (until November 30).

First national conference on dyarthria (speech disorder) opens, Bristol.

The Arts of Bengal exhibition, Whitechapel Art Gallery (until November 30).

Overseas: EEC Agriculture Council starts two-day meeting in Brussels.

European Parliament assembles in Strasbourg.

Bank of International Settlements monthly meeting, Basle.

Sr. Francesco Cosiga, Italian Prime Minister, meets President Valery Giscard d'Estaing and M. Raymond Barre, French Prime Minister, in Paris.

Mr. Kjeld Olesen, Danish Foreign Minister, meets Herr Hans Dietrich Genscher, West German Foreign Minister, in Bonn.

Pope John Paul addresses UN Food and Agriculture Organisation, Rome.

Princess Anne starts tour of Canada (until November 18).

PARLIAMENTARY BUSINESS

House of Commons: Southern Rhodesia Bill, remaining stages.

OFFICIAL STATISTICS

Index of industrial production (September — provisional). Department of Trade publishes October provisional retail sales figures, and turnover of the catering trades for the third quarter.

COMPANY RESULTS

Interim dividends: King and Shaxson. Northern Goldsmiths. Norwest Holst. Rothschild Investment Trust. Seccombe Marshall and Campion. Warner Holidays. Western Motor Holdings. Young Companies Investment Trust.

COMPANY MEETINGS

See Financial Diary on Page 26.

Scottish Metropolitan confident of good year

THE BOARD of Scottish Metropolitan Property Company intends to recommend progressive increases in dividends says Mr. David Walton, the chairman, in his annual report. He is confident that the company can look forward to satisfactory results for the current year and for the foreseeable future.

Since the 1978-79 year-end, the increase in rental income following reviews, continues to make satisfactory progress and together with revenue from new business, will be reflected in the current year accounts.

The company has very healthy cash resources and is in a strong position to undertake selective new business in line with the policy of acquiring good quality property investments and carrying out pre-let developments when suitable opportunities arise, the chairman says.

The last full valuation was carried out in February 1978 and the Board do not consider it appropriate at this stage to instruct a further valuation in view of the time and cost. The property portfolio is now in excess of £76m.

For the year ended August 15, 1978, revenue before tax from properties and investments amounted to £2.01m against £1.27m. Net revenue from properties and investments rose from £3.18m to £3.97m.

During the year investments in heritable shop, office and industrial properties were acquired in Dumbarton, Dumfries, Glasgow and Inverness and developments of similar projects were completed in Edinburgh, Glasgow and Inverness.

The total cost of these investments and developments was £8.8m and all properties have been let to substantial companies at rents which show satisfactory returns on the capital employed.

The proceeds from property sales during the year amounted to £1.04m which represents a surplus of £118,745 over the aggregate 1978 valuations.

New developments for long term investment are under negotiation in Edinburgh, Glasgow and Inverness and completion is expected on the current year when part of the income generaetd by these projects will be receivable, says the chairman.

Meeting, Glasgow, December 4 at 11.30 am.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: King and Shaxson, Northern Goldsmiths, Norwest Holst, Rothschild Investment Trust, Seccombe Marshall and Campion, Warner Holidays, Western Motor.

Final: Clydesdale Investment.

FUTURE DATES

Interims:—	
Anderson Strathclyde	Nov. 22
Arbuthnot Latham	Nov. 13
Bremar Trust	Nov. 15
Brickhouse Dudley	Nov. 28
Cullen's Stores	Nov. 29
Fine Art Development	Dec. 8
Grampian Television	Nov. 27
Great Portland Estates	Nov. 19
Powell Duffryn	Nov. 22
Rothmans International	Nov. 22
Finals:—	
Messina (Transvaal) Devel.	*Nov. 20
Ransome Hoffman Pollard	Dec. 10
Scottish Investment Trust	Nov. 22
Tyzack (W.)	Nov. 15

* Amended.

Wire and Plastic advances

Taxable profits of Wire and Plastic Products rose from £148,569 to £170,338 in the first half of 1979 on turnover ahead from £908,524 to £1.1m.

The interim dividend is being effectively raised from 0.643p net to 0.73p. Last year the holding company paid an adjusted total of 1.686p after lifting taxable profits to £374,000.

Tax at half-way took £70,194 (£75,196).

Futura sees lower result

Losses of £44,828 were incurred by Futura Holdings, footwear maker and distributor, for the 28 weeks ended July 14, 1979, compared with a £20,408 deficit in the corresponding 27 weeks last year.

Despite every effort to make up the shortfall in production and sales and to increase efficiency, the directors anticipate that turnover and profit will be less than the £4.41m and £169,000 respectively seen in 1978.

Sales for the 28 weeks amounted to £1.34m, against £1.51m. The interim dividend is maintained at 1.05p—the previous total was 2.45p.

1928 Trust up midway

GROSS REVENUE of the Nineteen Twenty-Eight Investment Trust rose from £1.21m to £1.35m in the half year ended September 30, 1979. Net revenue was higher at £690,316, against £585,153.

Stated earnings per share are up from 1.61p to 1.89p and the interim dividend is stepped up from 1.25p to 1.5p, partly to reduce disparity. The total last year was 3.33p from net revenue of £1.23m.

Net revenue for the first half is after tax of £95,979 (£107,173) and tax credits imputed to franked income, £261,445 (£240,670). Net asset value per share amounts to 94.9p, against 94.4p.

Victoria Carpets decline

Including exceptional profits of £51,220 against £126,380, arising from temporary employment subsidy, pre-tax profits of Victoria Carpets fell from £369,284 to £137,787 for the six months to September 30, 1979.

Turnover rose from £7.33m to £7.94m and tax took £71,649 (£192,028). The interim dividend is held at 0.5p net and the directors say they believe they will be able to maintain the final payment. Last year a total of 1.6p was paid from profits of £700,000.

The board reports that demand has generally been slack although there was a short burst of buying to beat VAT, but not on the scale of autumn 1978.

The company has not directly suffered as a result of cheap imports from the U.S. but the directors say that success in the cheaper ranges must have its effects in the better quality markets.

FRANCIS IND.

Francis Industries' rights issue of 3,690,630 ordinary shares has been completed. A total of 2,995,629 shares were taken up and the balance of 695,001 has been placed by the company's brokers, Montagu Loebl Stanley and Co.

JESSEL TRUST

The scheme of arrangement of Jessel Trust's share capital has become effective, and all future dealings of the company's shares under Rule 163 (2) will be carried out in their new form.

Lake View Inv. ahead at midterm

TOTAL income of Lake View Investment Trust increased to £1.58m in the half year to September 30, 1979, against £1.36m last time.

After charges including higher tax of £481,467 (£415,192), £916,141 is available for ordinary shareholders, compared to £735,402. The net asset value of each 25p share is 136.2p, against 144.8p at March 31, 1979.

Interim and special interim dividends of 1.1p and 0.65p have already been announced. Last year's midway payment of 1p was followed by a final of 2p on pre-tax revenue for the 12 months of £2.43m (£1.88m).

Speedwell Gear suffers £50,000 loss

Speedwell Gear Case Company, the sheet metal engineer, fell into loss in the year to July 31, 1979, and is omitting a dividend payment. For the previous year there was a single distribution of 0.625p net.

The taxable loss for the 12 months was £50,403, compared with a profit of £25,822. In 1976-1977 the taxable surplus was £95,000.

Turnover for the period rose from £1.75m to £1.91m and there was a tax credit this time of £34,940, compared with a charge of £9,594. The loss per 25p share is shown at 1.72p, against earnings of 1.58p.

Ambrose Inv. mid-year expansion

For the six months to September 30, 1979, Ambrose Investment Trust reports pre-tax income ahead from £315,736 to £366,550. Tax for the period took £111,089 against £101,763.

The net interim dividend per 25p income share is stepped up from 2.2p to 2.6p. Last year's total payment was 5.5p from profits of £822,000.

At September 30, 1979, the net asset value per 25p capital share was 186.27p (207.2p at March 31, 1979) and per income share 31.85p (30.87p).

Viners in loss

A £73,000 downturn from a pre-tax profit of £46,000 to a loss of £27,000 is reported by Viners, manufacturers and factors of cutlery and holloware, for the first half of 1979.

The loss per 10p share is given at 0.07p (earnings 0.21p) and there is no interim dividend. Last year's total payment was 1p from profits of £171,000.

Turnover for the six months was up from £4.63m to £4.85m and there was a tax credit of £23,000 compared with a charge of £29,000.

ERA Ring Mill to buy Emess Lighting group

ERA Ring Mill has agreed to buy Firstsquare Management, in a deal worth £585,000. Firstsquare's principal assets is its wholly-owned trading subsidiary, Emess Lighting.

Emess is engaged in the assembly, importing and distribution of lighting fittings to major store groups, mail order houses, wholesalers and retailers in the UK and overseas.

The consideration is to be satisfied by the issue of 543,750 new ordinary ERA shares and £150,000 cash payable on completion. In addition the vendors will receive a further cash payment of £115,000 in respect of each of the three financial years 1980, 1981 and 1982 of Emess provided that in each of those years its consolidated net profits before tax are not less than £300,000.

If such profits fall below £300,000 in any of the three financial years the additional annual consideration will be reduced by an amount equal to such shortfall.

Firstsquare and Emess combined net tangible assets at June 30, 1979 was £375,000 and net consolidated trading profits before tax for the year ending June 30, 1979 were £227,171, compared with £144,579.

Subject to ERA's acquisition of Emess becoming unconditional, Largs Ltd which owns 489,842 shares of ERA (78 per cent) has entered into an agreement with Widenham Trust whereby Widenham has the right to acquire its holding in ERA at 66p per share at any time up to February 29, 1980.

Largs has the right to require Widenham to purchase such shares or the balance of such shares not then purchased within 14 days after that date.

Widenham is to exercise the option in full and has undertaken to place 314,842 of such shares. After the deal the principal shareholders in ERA will be Mr. Michael Meyer who will hold 380,000 shares (32.5 per cent), Widenham, 175,000 shares (15 per cent), Mr. Grenville Payne, 30,000 shares (2.6 per cent) and Mr. Allen Mitson, 15,000 shares (1.3 per cent).

Following the City Code Widenham is to make a cash offer for the outstanding shares in ERA. In the last financial year ending March, ERA sustained a loss of £611.

ICFC FINANCE FOR P. PANTO

Industrial and Commercial Finance Corporation is to inject £430,000 into wholesale tobacconist and confectioner, P. Panto, through a 14¼ per cent secured loan. An option has also been agreed whereby ICFC may subscribe £175,000 for 16.35 per cent of the equity. The option may be exercised at any time up to two months after the audited accounts for the year ended December 31, 1984, have been received.

The secured loan is to be repaid by five annual instalments of £30,000 commencing on March 31, 1981, followed by four annual instalments of £50,000 and a final repayment of £80,000.

If the equity subscription is taken up, the proceeds will be applied to the reduction of the loan which, in turn, will be used to reduce overdrafts.

When announcing an interim losse of £59,000 for the 24 weeks to mid-June at the end of last month, the Panto board announced that it was negotiating medium term finance to help the cash position

Record for Herman Smith

Following the midway recovery from losses of £96,724 to £24,774 profit, Herman Smith, manufacturing and electrical engineer, reports record pre-tax profits of £259,545, compared with a £27,195 deficit in the previous year.

Stated net earnings per share are 6.1p, against a 0.76p loss, and the directors are recommending a final dividend of 0.23p making a total of 0.46p—no dividends were paid last year while in 1976-77 an 0.25p final only was paid.

External turnover for the year amounts to £6.06m, compared with £4.76m. Tax takes £51,264 (£2,813) and there is an extraordinary credit of £83,493. In the previous year there was a £4,313 surplus over cost of sale of fixed assets.

INTERNATIONAL BONDS

BY NICHOLAS COLCHESTER AND JOHN EVANS

Rolling rates for smoother ride

Eurodollar bonds remained in a distressed state last week. The tensions over Iran, upward pressure on world oil prices, and the further jump in the U.S. prime rate to 15¼ per cent, combined to ensure that bonds were kept solidly in "deep freeze," according to traders. Overall, prices lost up to 1½ points over the week.

Citicorp Overseas Finance Corporation decided to brave the uncertainty, scheduling a $300m issue of floating rate notes on roughly the same formula as its successful $300m of notes last August.

In fact, the terms have been refined by the introduction of a "rolling rate" to give the notes the character of a short-term money market instrument—itself symbolic of the difficulties of attempting to sell any conventional sort of dollar bond to long-term investors at present.

The notes will be issued in an initial $100m tranche, for 4½ years. They will pay quarterly interest based on the average of the bid and offered rates for three-month Eurodollar deposits. But the novelty is that this rate will be adjusted every month.

Credit Suisse First Boston is the lead manager, with Citicorp International Bank acting as co-manager. This latest offering brings the total of Citicorp's issues in the dollar Eurobond markets this year to $700m, believed to be a record amount for single borrowers in this sector.

Citicorp's original sally into the markets with this type of instrument earlier in the year did lead to some criticism, chiefly on the grounds that it squeezed the return available to the investor. But the issue nonetheless enjoyed a wide success. Conventional FRN's pay anywhere between ¼ per cent and ½ per cent over the Eurodollar offered rate.

The relatively short maturity of the Citicorp issue will be welcome. But the lead managers are particularly proud of the way the rate will be linked to monthly fluctuations in interest rates: they point out that the recent gyrations of dollar inerest rates have been so rapid that even FRN's no longer offer adequate protection. "The rolling rate is the ultimate sleep-at-night concept," claimed the chairman of Credit Suisse First Boston, Michael Von Clemm.

This issue is one of the largest U.S. bank fundings since the Federal Reserve imposed intensified reserve requirements as part of its credit package last month. But Citicorp officials stress that the FRN does not represent any attempt to circumvent the reserve requirements. It is aimed at lengthening the overall maturity of the bank's liabilities.

The D-Mark sector of the market lurched downwards last week as the acceptable coupon level on long term bonds moved from 8¼ per cent to 8½ per cent. The move was triggered by the placing in London of DM 100m for the European Investment Bank at the higher coupon level.

Initially the new level was resisted by the German banks and Deutsche Bank cancelled a bond for an Asian borrower. But later in the week West LB set the coupon for its DM 150m bond for Norges Kommunalbank at 8½ per cent. It was only in June that this same borrower raised money for 12 years at 7.71 per cent yield.

Today the West German capital market sub-committee meets to decide what the calendar of DM bond issues should be over the next four weeks. There will doubtless be an earnest discussion of the EIB's London placement, which undercut the standard commission on DM placings by 50 per cent. German bankers were in broad agreement that not more than DM 500m for foreign bonds should be floated this month.

The Swiss franc market remained in a poor state last week with investors still unhappy at the current level of yields available. Swiss bankers say that a coupon of 5 per cent or more would now be needed to float a public foreign bond issue for a prime borrower. Yet even this would look unexciting beside a rate of consumer price inflation in the year to October of 5 per cent.

There are currently no straight bonds on offer in the Swiss primary market. The coupon of the convertible Swiss franc issue for Konishiroku Photo had to be increased from 4¾ per cent to 5 per cent because of the weakness of the Swiss market.

One unusual event in a political Switzerland last week was the cancellation of a public bond issue for what looked like political reasons. A SwFr 30m public bond issue for the National Bank of Cuba marked Cuba's first public approach to the Capital markets of the West. First Banque Gutzwiller, Kurz, Bungener pulled out as lead manager, apparently because its major shareholder, Bank Leu objected. Then the Swiss arm of Singer and Friedlander, the British merchant bank, decided not to continue with the issue in light of the build up of adverse opinion.

In the company of the bigger strong currency sectors the Dutch guilder market was also depressed last week, though prices were off only marginally. The Government is currently raising money through a tender offer with a coupon of 9½ per cent for ten years. A prime foreign borrower would now probably need to pay 9½ per cent for ten years (or 9¼ per cent for a maximum of seven years in the euro-guilder market) the Dutch bankers are finding them unhappy with this prospect.

HYDRO-QUEBEC TO REFINANCE $1.25bn LOAN

Hydro-Quebec, the big Canadian power combine, is seeking to refinance on better terms, a $1.25bn syndicated loan last arranged in January, 1978, John Evans writes.

The original loan was split into a $750m term loan and $500m standby credit. New terms call for the spread over interbank rates on both tranches to be reduced to ½ per cent from ¾, and the maturity to be extended to 10 years from 8¼ years. The deal has already been underwritten by the major Canadian banks, under the co-ordination of Bank of Montreal.

This refinancing is the latest in a rush of transactions, including plans by Belgium and Sweden to raise $1bn and $800m respectively. Eurobankers claim that the syndicated loans market is encountering a bout of "anticipatory" credits, because borrowers believe that terms are at last beginning to move back in favour of the lending banks. Major borrowers are thus attempting to float their transactions at interest rate margins and maturities that could steadily move against them in coming months, bankers assert.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
**†British Airways (g'teed UK)	100	1991	8.5	—	*	Orion Bank	*
‡†Co-operative Bank	25	1986	7	6ф	100	London & Continental	6.090ф
‡†Bank of Ireland	50	1989	10	5½ф	100	Morgan Grenfell	5.390ф
†Bergen Bank	25	1989	10	6ф	100	CSFB, Bergen Bank	6.183ф
**†IBJ Finance Co. NV	50	1987	8	5¼ф	100	Morgan Stanley, IBJ Intl.	5.319ф
††Sweden	100	1984	5	*	*	Salomon Bros.	*
††Sweden	100	1999	13	*	*	Salomon Bros.	*
†Citicorp	100	1984	4.5	—	100	CSFB	—
D-MARKS							
‡**EIB	100	1989	10	8½	100	BHF Bank	8.5
‡**New Zealand	100	1984	5	8¼	100	Commerzbank	8.25
Norges Kommunalbank	150	1994	10½	8½	100	WestLB	8.5
SWISS FRANCS							
‡§**Misawa Homes	20	1985	—	5¼	100	Credit Suisse	5.250
‡§**Konishiroku Photo Ind.	70	1986	—	5	100	SBC	5.000
‡**Osawa Shokan	20	1984	—	4¾	100	UBS	4.750
LUXEMBOURG FRANCS							
‡Volvo	500	1987	6.87	9¾	100	Kredietbank SA (Lux)	9.75
UNITS OF ACCOUNT							
‡Mortgage Bank of Denmark (g'teed Denmark)	25	1991	9.25	9	100	Kredietbank SA (Lux)	9.000

* Not yet priced. ‡ Final terms. ** Placement. † Floating rate note. ф Minimum. § Convertible. †† Registered with U.S. Securities and Exchange Commission. ¶ Purchase Fund. Note: Yields are calculated on AIBD basis.

U.S. BONDS

BY STEWART FLEMING

Latest money supply figures calm fears

AFTER A five-week struggle to come to terms with the renewed assault on inflation launched by the Federal Reserve Board on October 6, the U.S. credit markets showed some tentative signs of regaining their balance at the end of last week. But it is still very early days.

On Thursday, with many money market economists expecting a $1.5bn rise in the money supply for the latest banking week, the Federal Reserve Board reported further encouraging monetary data, a $400m fall in the M1 measure. It was less the weekly number than the fact that the whole month of October now shows no growth in M1, and a slowing 7.4 per cent annual rate of growth for M2, that encouraged the markets to hope for a steadier Fed policy in the next few weeks.

Apart from some volatility midweek in response to concerns about the Iranian situation, money market rates were more stable. The Federal funds rate fluctuated less widely, as Salomon Brothers points out in its weekly Comments on Credit, and averaged 13.8 per cent compared with 13.6 per cent for the previous week.

There were some further modest declines, too, in other short-term interest rates, ranging between 5 and 25 basis points in the one month to six months range. (There are 100 basis points to a percentage point.) In the long-term markets yields continued to drift slightly higher in both the government and corporate sectors, although again there were signs of prices firming at the end of the week.

Significantly, however, dealers reported little evidence of investors making heavy new commitments to the bond market. There are still too many uncertainties ahead. In the first place it will take more evidence than a month's money supply data to convince fixed interest investors that any corners have been truly turned.

Secondly, the turmoil in Iran has reminded investors of the nation's vulnerability to curtailed energy supplies, and of the dangers of another big jump in oil prices.

As the latest increase in the prime rate to 15¼ per cent last week indicates, the banks clearly feel that they have some way to go yet before they are covering themselves against increased money costs (Citibank could have gone to 16 per cent under the formula used for setting the prime). Moreover, the banks' customer demand for funds is still strong enough to permit them to push through these higher lending rates.

If these credit demands continue to be strong and the Federal Reserve's determination to resist credit expansion remains firm, further tests for the market may lie ahead.

JAPANESE BANKS

BY RICHARD HANSON

Moving to a lower lending profile

JAPANESE banks are being forced to accept a much lower profile in international lending after two years of aggressive expansion.

The powerful Ministry of Finance has not completely halted bank participation in international loan syndications, but is using its influence to limit the kinds of loans being made, and to whom.

Moreover, by the start of next year, the MOF probably will have completed work on a new set of guidelines which will make overseas lending more costly for the banks.

Officials at the MOF and the Bank of Japan have been very carefully monitoring the growth of Japanese lending abroad for more than a year. By the end of August, however, the outstanding total of such lending (in yen and dollar) had exceeded by several billion dollars the country's dwindling official foreign reserves.

The result was that the MOF called in representatives of the major city banks in October for a stern lecture on the need for restraint. MOF officials since then have been putting some muscle into their warnings.

According to bankers in Tokyo, the MOF has simply stopped giving approvals for banks to participate in most commercial syndicated loans since October 22. The banks are now expected to reduce the level of their loans abroad (currently over $25bn in foreign currency loans, with an additional $5bn to $6bn in yen loans).

The restriction is not total, but will cut into the heart of commercial loan syndicate business. The banks are still free to lend abroad in the case of buyer's credits, development projects which involve importing natural resources and other cases when the "national interest" in involved.

The banks also have a freer hand if the syndicate is being managed by a Japanese bank. The general aim is to improve the "quality" of the loans being made, and this criteria can be broadly interpreted by the MOF on a case by case basis.

The banks are being asked to formulate their own sets of priorities on what kind of loans they will be making, and the MOF will insist that they stick by these priorities.

These steps have been taken as interim measures while the MOF works out a new set of guidelines. These will include a tightening of the present rule on matching medium-term loans overseas with medium-term funding (over one year).

The MOF now requires that the banks match 60 per cent of their loans with longer term funds, which the banks are doing. The 60 per cent matching ratio, however, it as present based on the "original" maturity of the funding. The MOF wants to switch this to a "remaining maturity" basis, which if used as a measure for the presnt situation would show that banks are actually matching medium-term only around 40 per cent of their loans in some cases.

Japanese banks in particular have in the past two years raised their exposure in several countries, like Brazil, to levels which would be dangerous if a serious disruption in international capital markets were to occur.

The other obvious concern is that Japan is plunging this year into a heavy deficit in the current account of the balance of payments. The yen is depreciating rapidly, as a result, and capital outflows only add to the pressure.

The new low profile of the Japanese banks is not a welcome sign for prospective international borrowers, or banks which are lining up syndicate participants. Until about a year ago, just about any syndicate manager could count on the eager participation of a large number of Japanese banks. The MOF had already curbed this practice by imposing ceilings on the amount of a loan the Japanese banks could put up (previously, one-third or a quarter of the total, depending on how involved Japanese banks were in the loan management).

The MOF is also busily extending its moral persuasion on limiting new lending to other financial institutions such as insurance companies which have become active international lenders along with the banks.

Japanese banks are not happy with the restraints that the MOF is placing on them (the guidance informally extends to the bank's overseas subsidiaries), the grumbling, however, has been kept to a minimum perhaps because of a few recent sweeteners. For example when the official discount rate was raised one per centage point ten days ago, the banks were allowed to maintain the lower interest rates they pay on deposits.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	86	86½	+0½	+0¼	12.51
Alex Howden XW 9½ 91	30	76	77½	−2½	−0¼	13.67
Australian Res. 9¼ 84	30	91	91½	+0¼	−1	12.13
Avco O/S Cap. 10¼ 87	40	83	83¼	0	−0¼	13.92
Beneficial Fin. 9¾ 87	100	87⅞	88¼	+0½	0	12.19
CECA 10½ 91	150	86½	87	0	−0¼	12.99
CECA 9¾ 99	125	80¼	80¾	+0¼	−0½	12.82
Canadian Pacific 9¾ 89	50	85	85½	−0¼	−0¼	11.85
Carter Hawley 9¾ 88	50	87⅞	88⅜	−0¼	−0⅛	12.51
Comalco Inv. E. 10⅛ 91	40	88¼	88¾	+0½	−0½	12.14
Continental Grp. 9¾ 88	100	88¼	88¾	+0⅛	0	12.13
Dome Petroleum 10 84	50	88½	89½	0	−1	12.00
Dominion Bridge 10¼ 84	30	91½	92¼	+0¼	0	12.68
Dow Chem. O/S 9¾ 94	200	85	85½	−0¼	−0⅜	11.79
EIB 9⅞ 87	150	90¾	91½	0	+0¼	12.01
EIB 10 99	150	87¾	88¼	−0⅜	−0⅜	11.85
EIB 10⅛ 87	100	91½	92	−0⅛	−0¼	12.21
EIB 10.15 99	100	88⅞	89⅜	−0⅛	−0⅜	11.90
Export Dv. Cpn. 9⅝ 84	100	90¾	91¼	+0⅛	−0⅜	12.05
Export Dv. Cpn. 9¾ 84	150	91½	92¼	+0⅛	−0¼	11.49
Finland 9½ 88	100	88¼	88¾	+0⅛	−0½	12.17
Finland 9⅝ 89	100	86⅜	86⅞	+0⅛	−0⅜	12.38
GTE Finance 9½ 84	50	89⅜	89⅞	+0¼	−0¼	12.74
GTE Finance 9¾ 89	55	85½	86	−0⅛	−0⅜	12.33
General Motors 9¼ 86	100	88⅜	88⅞	+0⅛	−0½	11.86
Gould Int. Fin. 9⅝ 85	50	90	90½	+0⅛	+0⅛	12.33
Hudson Bay Co. 10 94	50	89	89½	+0⅛	−0⅛	11.72
ITT Antilles 9½ 89	75	86	86½	+0⅛	−0¼	11.98
Kennecott Int. 9½ 86	100	85½	86	+0⅛	−0⅛	12.82
Manitoba 9½ 89	75	86½	87	0	−0⅞	11.90
Michelin 10 94	125	86⅞	87⅜	−0⅛	−1	11.89
Nat. Des. Telecm. 9½ 86	100	88⅞	89⅜	0	−0½	11.94
New Brunswick 9¾ 94	75	85½	86	+0¼	−0⅜	11.85
Newfoundland 10 94	50	87⅜	87⅞	−0⅛	−0½	11.85
Norges Komm. 9⅞ 99	100	88	88½	0	+0⅛	11.62
Norway 9½ 84	150	91⅞	92⅜	+0⅛	−0⅜	11.83
Nova Scotia Pwr. 9¾ 89	50	87¼	87¾	+0¼	−0½	12.00
Occidental Fin. 10⅛ 84	50	90⅜	90⅞	+0⅛	+0⅛	13.06
Orient Leasing 9½ 86	25	87⅜	87⅞	+0⅛	−0⅜	12.30
Pennwalt O/S F. 9¾ 84	25	90¾	91¼	+0⅜	0	12.41
Pepsico Cap. 9¼ 84	100	91⅛	91⅝	+0⅛	−0⅜	11.89
Quebec Hydro 10 99	75	87¼	88¼	0	−0½	11.55
Sears Roebuck 9 82	150	92¾	93¼	+0⅛	−0⅜	12.69
Statoil 9⅞ 89	100	87¼	87¾	+0⅛	−0⅜	11.84
Sweden 9¾ 89	100	87¾	88¼	+0⅛	−0⅞	11.90
Sweden 9½ 86	200	89¾	90¼	−0⅛	−0⅜	12.10
Sweden 9⅜ 84	100	91⅞	92⅜	+0⅛	−0⅜	11.99
Unilever NV 9¾ 87	100	87⅜	87⅞	+0¼	−0⅜	11.76
Warner-Lambert 9 84	100	90⅛	90⅝	+0⅛	−0¼	11.77

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 7½ 89	150	92¾	93¼	−0⅛	−1⅛	8.58
Asian Dev. Bk. 7¾ 89	100	91½	92¼	−0⅛	−1⅛	8.50
Banco Desarrollo 7½ 86	100	92½	93½	−0⅛	−0⅛	8.78
Barclays O'seas 6¾ 89	100	91⅞	92⅜	0	−1⅜	7.93
Brazil 8 87	150	94⅞	95⅜	−0⅛	−0⅞	8.88
CECA 7 91	150	91½	92¼	−0⅛	−1⅜	8.11
Council of Eur. 7¼ 89	100	95⅜	95⅞	0	−0⅛	7.93
Denmark 6½ 89	100	88¼	89	−0⅛	−1½	8.31
EIB 7½ 89	200	95⅛	95⅞	−0⅛	−2⅛	8.19
EEC 7⅞ 94	225	95⅞	96⅜	−0⅛	−0⅛	8.32
Eletrobras-Brazil 7 87	100	91¾	92½	+1	+1⅞	8.49
Eurofima 6½ 89	100	92⅞	93⅜	−1⅛	−2	7.59
Kobe, City of 7¼ 89	150	93¼	94½	0	−0⅞	8.00
Mitsubishi Chem. 6½ 84	70	94½	95¼	+0⅛	0	7.89
New Zealand 7⅞ 87	200	93¾	94½	−0⅛	−1⅛	8.78
Nippon Kokan 6½ 84	100	94⅛	94⅞	−0⅛	−0⅛	8.02
Nippon Tel. & T. 5½ 87	100	86⅛	86⅞	−0⅛	+0⅛	8.03
Norges Komm. 7¾ 91	150	97	97¾	−0⅛	−2⅛	8.10
Norway 6¼ 84	200	94⅛	94⅞	−0⅛	−0⅛	7.76
OKB 6 87	40	91½	92½	+0⅛	0	7.47
OKB 7⅞ 89	100	95¼	96	−0⅛	−1⅛	8.03
Petrobras 8 89	125	†95	95¾	0	−0¼	8.71
Tokyo Elec. Pwr. 6½ 85	200	91¾	92½	−0⅛	−1⅛	8.33
World Bank 7¾ 91	400	95⅛	95⅞	−0⅛	−0⅞	8.36

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	98½	[illegible]	−0⅛	−0½	5.68
Aumar 5 89	60	97½	98	−1⅛	−0⅞	5.30
Australia 3⅝ 89	250	92	92¼	−0⅛	−1⅛	4.68
Bergen, City of 4¾ 91	40	96½	97	−0¼	+1	5.12
BNDE 5 89	75	89¾	90¼	−0¼	−0¼	6.41
BMW Overseas 4¼ 91	100	96	96½	−0½	0	4.67
Caisse Nat. Tele. 4½ 89	100	96	96½	−0⅛	−0¼	4.88
Canada 3⅝ 89	300	92½	92¾	−0⅛	−1⅞	4.61
Copenhagen 4½ 91	80	96	[illegible]	−0¼	−0⅛	4.92
EIB 4½ 91	100	94½	95	+2½	−0¼	5.11
EIB 4⅝ 94	100	†85	95½	−1	−0⅛	4.83
Elet. de France 4⅞ 89	100	96½	96¾	−0⅛	−0¼	4.82
GZB 4¼ 89	100	91¾	92	+0⅛	−2	5.32
Hilti 4½ 91	35	99	99½	+0⅛	+0⅛	4.33
ICI Fin. NV 3½ 94	230	87	87½	0	+0⅛	4.74
Int.-Amer. Dev. 4½ 89	100	92½	92¾	−1	+0⅛	5.49
Malaysia 5 89	80	92⅝	92⅞	−0⅛	−0⅛	5.99
Nippon Tel. & T. 4¼ 89	100	96⅜	96⅞	−0⅛	0	4.67
Nordic Bank 5 89	45	99⅜	99⅞	−1⅛	+1	5.05
Norges Komm. 4⅝ 91	100	93¼	93¾	−1⅛	−0⅛	5.10
OKB 3¾ 91	100	85¼	[illegible]	−1⅞	−1⅞	5.50
OKB 4½ 91	100	91½	91⅝	−1⅛	−2⅛	5.36
Pfand Ost. Lande. 4 90	60	91¾	92	−0⅛	−0⅛	5.02
Philippines 4¾ 89	50	95	95½	−0⅛	0	5.41
Shikoku El. Pwr. 4¾ 89	100	98¼	98¾	−0½	−0⅛	4.98
Spain 4 91	100	92½	93	−0½	−0⅛	4.84
Steweag 4⅞ 91	60	[illegible]	98⅞	−0⅛	−0⅛	4.89
Voest-Alpine 4¾ 89	90	99¾	100	−0⅛	+0⅛	4.76
World Bank 4⅞ 89	100	98½	99½	−0⅞	+0⅛	4.94
World Bank 4½ 89	150	93¾	94⅞	+0⅛	−1⅛	5.16
World Bank 4⅝ 91	100	†93	93½	−0⅞	−1⅞	5.40

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	88½	89½	+0⅛	−0⅛	9.07
Australia 6½ 88	20	86¼	86¾	−0⅛	−0⅞	8.91
EIB 7¼ 89	12	97½	98½	0	−0⅛	8.06
Finland 5.6 83	10	88⅜	89⅜	+0⅛	+0⅛	9.16
Finland 6.8 88	10	88	89	−0⅛	−0¼	8.83

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 8 84 SDR	20	94½	95	−0½	−0½	10.54
Avco Fin. 10¼ 86 C$	25	87½	88	−0⅛	−0⅛	13.12
Bell Canada 10⅛ 86 C$	50	91¼	91¾	−0⅛	−0⅛	12.66
Cr. Foncier 10¼ 84 C$	30	88¼	88¾	−0¼	−0⅞	13.63
Ex. Dev. Cpn. 10 84 C$	50	91⅜	91⅞	−0½	−0⅛	12.49
Fst. Can. Inv. 10 84 C$	50	90¾	91¼	0	−0¼	12.69
Hudson Bay 10½ 89 C$	60	88¼	88¾	−0½	−0¼	12.42
Quebec 10¼ 86 C$	50	88⅜	88⅞	−0⅛	−0⅛	12.79
R. Bk. Canada 10 86 C$	40	88⅜	88⅞	0	−0⅛	12.57
R. Bk. Canada 10 84 C$	40	83¼	83¾	−0⅛	+0⅛	12.49
Copenhagen 8¼ 91 EUA	25	96⅜	97⅞	0	−0⅛	8.62
Copenhagen 8¾ 91 EUA	20	102½	103½	+0⅛	−0⅛	8.34
SOFTE 8¼ 89 EUA	40	91⅞	92¼	0	−0⅞	9.60
Algemene Bk. 8¼ 84 Fl	75	96½	97	−0⅛	0	9.10
Amev 8½ 86 Fl	75	96⅜	97⅜	−0⅛	+0⅛	9.12
EIB 8 84 Fl	150	98½	99	0	0	9.15
Ned. Middbk. 8¼ 84 Fl	75	†96	96½	0	−0⅛	9.30
Norway 8⅛ 84 Fl	100	96½	97	−0⅛	−0½	9.17
Norway 8⅜ 84 Fl	100	96⅜	96⅞	−0⅛	0	9.13
Air France 11 84 FFr	120	98⅜	98⅞	0	−1⅛	11.40
Euratom 9¾ 87 FFr	150	85¾	86¼	−0½	−2⅛	12.65
Finland 11 84 FFr	90	96⅜	97⅛	0	−0½	11.90
Finland 11⅛ 89 FFr	70	85⅞	86⅜	0	−0⅛	12.23
Gaz de France 11 84 FFr	150	96⅞	97⅞	0	−0⅛	11.76
Norway 9¼ 84 FFr	200	88	90	−0⅛	−2	12.53
PSA Peugeot 9¾ 87 FFr	175	85¾	86¼	+0⅛	−2⅛	12.87
Renault 9¾ 85 FFr	100	88⅜	89⅜	0	−3⅛	12.65
Saint-Gobain 9¾ 86 FFr	130	85⅜	86⅜	−1⅞	−2⅛	13.07
Solvay et Cie 9¾ 87 FFr	125	85	86	−1⅛	−2⅛	12.86
Total Oil 9¾ 87 FFr	150	84	85	0	−2⅛	12.72
Citicorp 10 93 £	20	83⅜	84⅜	−0⅛	−1	12.53
EIB 9¾ 88 £	25	78⅞	79⅜	−0⅛	−2⅛	14.17
EIB 11½ 91 £	25	86⅜	87¼	−0⅛	−1½	13.82
Finance for Ind. 13 91 £	15	92⅞	93⅜	0	−1⅛	14.19
Fin. for Ind. 12½ 89 £	30	89⅜	89⅞	+0⅛	−2⅞	14.55
Gen. Elec. Co. 12½ 89 £	50	90⅜	90⅞	+0⅛	−2⅛	14.37
Indonesia 8¾ 91 KD	7	†94¾	95	0	0	8.50
Mitsubishi 7½ 84 KD	10	†95¼	95¾	0	0	8.68
Norges Kom. 7¾ 89 KD	12	†93¼	93¾	0	0	8.51
Occidental 8¼ 91 KD	7	†93⅜	93⅞	+1	+1	9.16
Akzo 9¼ 87 LuxFr	500	†93	94	0	0	10.49
Euratom 8 87 LuxFr	500	90⅜	91⅜	0	−0⅛	9.78
Norges Kom. 8 86 LuxFr	500	89⅜	90⅜	0	+0⅛	10.01
Oslo, City of 8 89 LuxFr	500	89⅜	90⅜	+0⅛	0	9.67

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 6 87	0¼	98⅞	99⅜	26/4	15⅜	[illegible]
Bco. Nac. Argent. 7 86	0¾	96	96½	22/3	[illegible]	13.70
Banco Prov. BA 7¾ 86	0¾	97¼	97¾	12/12	11	11.27
Banco Urquijo 6 86	0¾	96¾	97¼	21/3	13¾	13.79
Bque. Indo Suez 5¾ 89	0¼	97¾	98¼	11/1	11	11.24
BNP 5½ 91	0¼	96¾	97¼	22/2	11.94	12.32
Citicorp O/S Fin. 6 94	‡0¼	99	99½	8/12	[illegible]	12.91
Citicorp O/S 83	‡0	98¾	99¼	23/11	[illegible]	11.95
Creditanstalt 5¾ 91	‡0¼	97¾	98¼	14/12	12.94	13.20
CNT 5¾ 86	0¼	98⅞	99⅜	16/4	15.19	15.32
GZB 5¾ 89	‡0¼	98⅜	98⅞	1/11	11.44	11.60
Jugobanka 8 89	0¾	94¾	95¼	23/11	11⅞	[illegible]
LTCB Japan 5½ 89	0¼	98¼	98¾	7/12	11½	11.31
Mfrs. Han. O/S 5¼ 94	‡0¼	98⅞	99⅜	23/11	[illegible]	12.67
Nacional Fin. 5¾ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.93
Nat. West. 5¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Cred. Bk. 6¼ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.24
Royal Bank Scot. 5¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.73
Soc. G. de Bque. 6¼ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.88
Sogenal 5½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.23
Sweden 5½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.42
Texas Int. Airways 7¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.34
TVO Pwr. 9 91 (D-lock)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.47
Utd. Overseas Bk. 6 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.31
Williams & Glyn 5¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.76
Bq. E. d'Alg. 4¾ 89 SF	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.46

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktiebolag 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−3.36
Alco Int. Fin. 9½ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	19.87
Asahi Optical 7 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canon 6¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.16
Ciba-Geigy O/S F. 4 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.22
Credit Suisse 4¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.43
Daiei Inc. 6¼ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Esselte 7½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.61
Honda Motor 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.14
LPC Internat. 8 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.26
Meidensha Elec. 7 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	33.94
Mitsubishi Cp. 6¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.97
Nippon Seiko 7¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.99
Nitto Elec. Ind. 6 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.65
Toshiba Cpn. 7¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21.88
Union Bk. Switz. 8 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.71
Fujitsu 5 84 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	29.55
Kansai Elec. 4 84 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	73.09
Tokyo Elec. 3¾ 87 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	111.26
Tokyo Ld. Co. 4 85 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	47.82
Uny Co. 6 85 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	19.46

BONDTRADE INDEX AND YIELD

	Medium term		Long term	
Nov. 9	90.17	10.48	90.61	11.17
Nov. 2	90.06	10.50	90.61	11.18
High '79	95.75	(1/2)	99.80	(30/1)
Low '79	90.02	(8/11)	90.50	(5/11)

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euroclear
U.S. $ bonds		
Last week	704.2	1,819.5
Previous week	1,186.3	1,784.2
Other bonds		
Last week	228.0	378.2
Previous week	330.2	309.1

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Lyonnais; E. F. Hutton Services SARL; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Bondtrade; Banque Francaise de Credit International; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; Dillon, Read Overseas Corporation; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Salomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Strauss Turnbull and Co., Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on November 9

WORLD STOCK MARKETS

Indices

NEW YORK—DOW JONES

	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 2	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
● Industr'ls	808.48	797.61	796.67	808.48	812.65	818.94	897.61 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	75.56	75.44	75.76	75.95	75.75	75.80	86.10 (15/8)	75.44 (8/11)	—	—
Transport..	232.88	250.25	228.96	230.55	231.07	232.87	277.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	99.19	98.61	98.51	99.49	99.76	100.54	109.61 (28/8)	98.24 (24/10)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	30,180	26,330	30,380	22,060	20,600	23,770	—	—	—	—

●Day's high 812.29 low 799.91

	Nov. 2	Oct. 26	Oct. 19	Year ago (approx)
Ind. div. yield %	6.11	6.16	6.11	5.77

STANDARD AND POORS

	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 2	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	116.72	112.56	111.66	113.58	114.10	114.82	124.49 (5/10)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	101.51	100.50	99.87	101.20	101.82	102.51	111.27 (5/10)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Nov. 7	Oct. 31	Oct. 24	Year ago (approx)
Ind. div. yield %	5.58	5.42	5.46	5.16
Ind. P/E Ratio	7.43	7.57	7.46	8.81
Lon Gov. Bond Yield	10.59	10.28	10.30	8.76

N.Y.S.E. ALL COMMON

Nov. 9	Nov. 8	Nov. 7	Nov. 6	1979 High	1979 Low
57.74	57.08	56.75	57.48	62.88 (21/9)	53.68 (27/3)

Rises and Falls

	Nov. 9	Nov. 8	Nov. 7
Issues Traded	1,839	1,877	1,881
Rises	1,117	794	274
Falls	342	629	1,267
Unchanged	380	454	340
New Highs	—	10	5
New Lows	—	118	158

MONTREAL	Nov. 9	Nov. 8	Nov. 7	Nov. 6	1979 High	1979 Low
Industrial	294.51	292.38	293.38	297.38	302.12 (5/10)	219.18 (2/1)
Combined	278.87	275.95	277.97	281.17	314.25 (5/10)	225.90 (2/1)
TORONTO Composite	1588.8	1573.2	1578.5	1597.8	1804.71 (5/10)	1315.8 (2/1)
JOHANNESBURG Gold	418.5	417.5	428.5	411.8	428.8 (7/11)	258.4 (17/4)
JOHANNESBURG Industrial	410.8	410.1	409.3	407.2	410.8 (9/11)	278.5 (2/1)

	Nov. 9	Previous	1979 High	1979 Low
Australia (¶)	693.22	690.74	699.92 (8/11)	546.72 (2/1)
Belgium (‖)	108.45	108.98	109.47 (5/10)	96.80 (3/1)
Denmark(**)	90.87	90.78	97.46 (25/7)	88.32 (8/1)
France (††)	90.5	89.1	107.1 (8/10)	71.5 (15/2)
Germany (‡‡)	709.20	708.7	839.6 (18/1)	704.5 (7/11)
Holland (§§)	67.5	66.9	85.0 (24/1)	66.8 (7/11)
Hong Kong	712.32	716.56	727.40 (5/11)	493.85 (2/1)
Italy (‖‖)	85.85	84.90	93.65 (4/10)	68.58 (2/1)
Japan (a)	444.34	444.25	465.24 (29/9)	435.1 (13/7)
Singapore (b)	401.97	402.16	423.56 (5/10)	346.33 (25/5)

	Nov. 9	Previous	1979 high	1979 Low
Spain (d)	(c)	94.87	111.96 (4/3)	88.45 (2/11)
Sweden (e)	[illegible]	385.81	401.34 (6/2)	331.37 (24/9)
Switzerld (f)	[illegible]	306.7	329.1 (26)	284.8 (3/1)

All indices have base values of 100 except NYSE All Common—50; Standards and Poors—10 and Toronto—1,000. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
IBM	525,100	61⅝	−⅛
EMI	515,600	2⅞	—
Trans World	459,700	16½	+¾
AVCO	434,600	26½	+2⅞
W'tinghouse E.	389,200	17⅞	+⅛
Bally MFG.	321,800	31⅝	+⅝
Western Air	272,500	8⅞	+⅛
Mobil	261,900	48⅞	+1⅛
U.S. Steel	246,800	18⅞	−⅛
Sears Roebuck	242,800	18⅞	+⅛

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank	14 %
Amro Bank	14 %
American Express Bk.	14 %
A P Bank Ltd.	14 %
Henry Ansbacher	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½ %
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	15 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
E. T. Trust Limited	14 %
First Nat. Fin. Corp.	15½ %
First Nat. Secs. Ltd.	15½ %
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14½ %
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½ %
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½ %
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.

* 7-day deposits 11½%. 1-month deposits 11¾%.

† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12½% and over £25,000 12¾%.

‡ Call deposits over £1,000 11½%.

§ Demand deposits 11½%.

Public Works Loan Board rates

Effective from November 3

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 5	13¾	13⅞	13⅞	14⅛	14½	14⅛
Over 5, up to 10	13⅞	13⅞	13¾	14¼	14⅜	14⅜
Over 10, up to 15	13¾	13⅞	13⅝	14¼	14¼	14⅜
Over 15, up to 25	13⅝	13⅝	13⅝	14⅛	14⅛	14⅛
Over 25	13⅝	13⅝	13⅝	14⅛	14⅛	14⅛

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-early payments of interest only.

Finance chief for BATS

Mr. N. W. Goddard has been appointed finance director for BRITISH AMERICAN TOBACCO COMPANY. He was formerly director with territorial responsibilities for the Far East.

★

ANGLIA TELEVISION has made two Board changes. Mr. Laurence Scott, one of the founder directors, has retired having reached the retirement age. He is to remain on the group Board. Mr. Philip Garner, Anglia's programme controller, has been appointed to the Board. Mr. Garner, who is 39, is a former newspaper journalist. He joined Anglia in 1962 working on feature and documentary programmes. When appointed head of features in 1967 he was one of the youngest executives in television.

★

RCF TOOLS, distributor of hand tools, has appointed Mr. Glynn B. Billson as managing director. He was previously marketing director, and prior to that general manager of RCF Tools (Newcastle). Mr. Kenneth Edge becomes marketing manager. He was previously special accounts manager and prior to that sales manager of RCF Tools (Birmingham).

★

After completing 61 years' service with HERMAN SMITH, Mr. Herman G. Smith is to vacate the chairmanship. He will continue as an executive director. Mr. Michael Herman-Smith is appointed chairman and joint managing director and Mr. Robert Herman-Smith deputy chairman and joint managing director.

★

Harrison and Sons state that Mr. V. J. Willey became a director of MATHERSON - SELIG, its Ipswich-based colour card and colour retailing aids company, on November 1. Mr. Willey is a Harrison Group Board director, managing director of Eden Fisher (Southend) and chief executive of the periodical and book printing division within the Harrison Group.

★

Mr. Allyn B. Henderson is promoted to senior vice-president of SANTA FE MINERALS, INC., and SANTA FE MINERALS (UK), INC.—he was vice-president of both companies. Mr. Michael T. Lynch is to be manager of production, and Mr. Cedric E. Morgan is to be manager, crude oil trading, of Santa Fe Minerals (UK), London.

★

Mr. Brian Chorlton has been appointed a director of CENTRE-FILE, the computer service bureau subsidiary of the National Westminster Bank. He joined Centre-File in 1978 and last July he became controller, special services.

★

Mr. R. J. Clemmon has been appointed to the Board of PADLEY AND VENABLES of Sheffield as technical director. He was previously the company's research and development manager.

★

Mr. F. A. Davies has retired from the Board of UNITED KINGDOM PROPERTY COMPANY.

★

Mr. F. H. Pledge has joined the Board of INTERVINCIAL PROPERTIES. He succeeds Mr. B. E. R. Horlock as chairman on his retirement.

★

Mr. G. O. Vero has been appointed to the Board of DINERS CLUB INTERNATIONAL as financial director.

★

Mr. Ian McIntosh Henderson has been appointed finance director and member of the executive committee of C. T. BOWRING (INSURANCE) HOLDINGS. He was formerly strategic planning director of Brascan.

★

Mr. Allan Jeans, an assistant director of Lazard Brothers and Co., will be seconded to the PANEL ON TAKE-OVERS AND MERGERS at the rank of secretary for a period of two years commencing on December 3.

★

Mr. Michael C. Warshaw, managing director of NORTH EASTERN TIMBER since its acquisition, is leaving the Mallinson Denny Group on December 31, to give full-time attention to his personal interests.

★

Mr. Michael Pickering, director of administration at the Road Transport Industry Training Board, has been elected chairman of the INSTITUTE OF ADVANCED MOTORISTS following General Lonsdale's decision to retire. Mr. Pickering joined the Institute's Council in 1975 and was elected vice-chairman two years later. He will now also join the Board of Advanced Motorists Publications, the IAM subsidiary publishing Milestones.

Mr. Pickering, 55, has spent most of his life with transport of one kind or another. He retired from the Army in 1967 with the rank of Lieutenant Colonel in the Royal Corps of Transport, having held—among other appointments—that of chief instructor at the Army Motor Transport School at Bordon, Hampshire, as lecturer in vehicle technology at the Royal Military College of Science and with the vehicle trials section of the Fighting Vehicles Research and Development Establishment. His own means of transport reflect a catholic taste in vehicles: he runs a 3-litre Ford Capri, a Honda 400 motorcycle and a fold-away push bike for use in central London.

Maj. Gen. E. H. G. Lonsdale, chairman of IAM since 1971, has been elected a vice-president of the Institute.

CONTRACTS AND TENDERS

COMPANY NOTICES

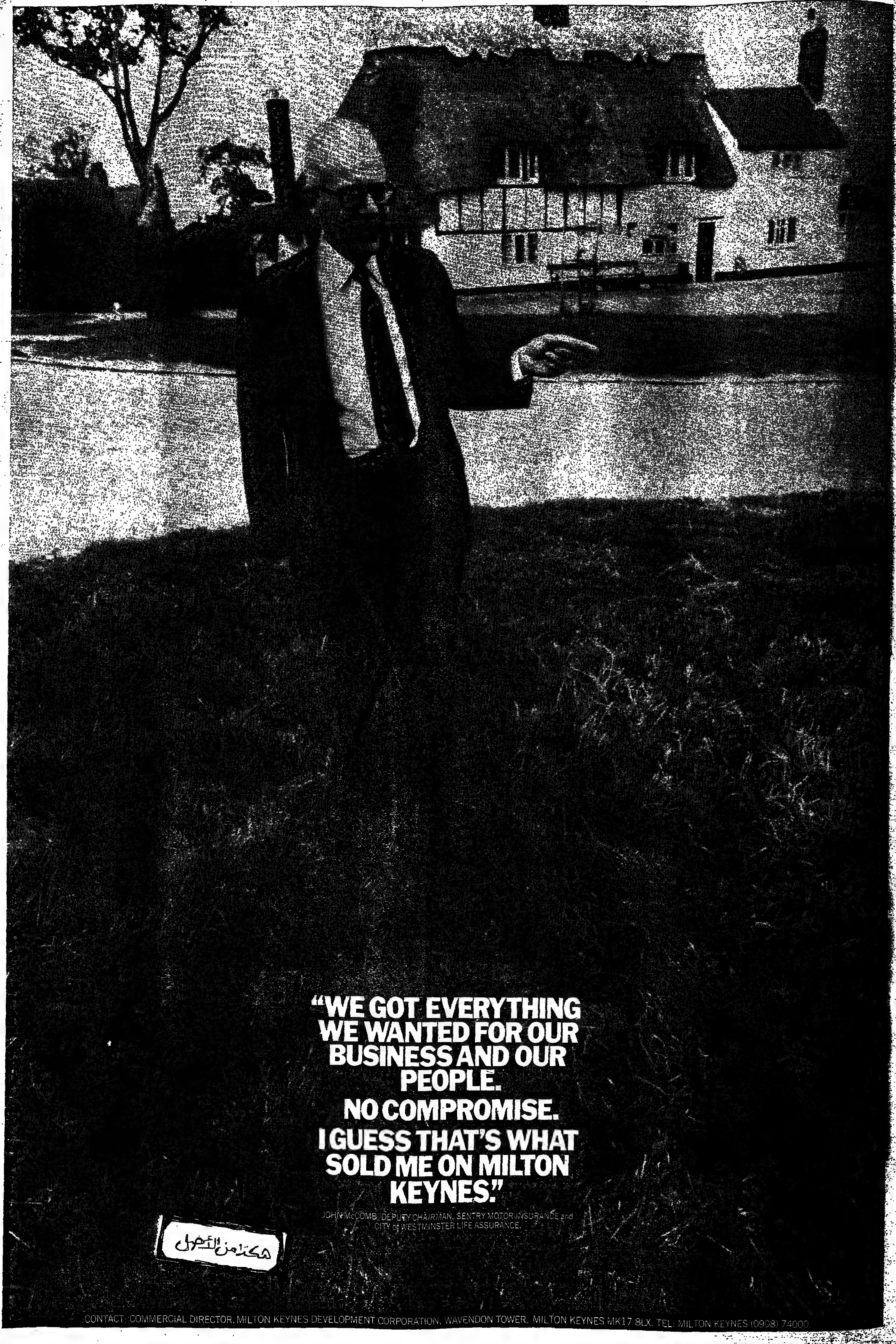
PUBLIC NOTICES

COMPANY NOTICES

LEGAL NOTICES

CONFERENCE HOTELS

ART GALLERIES


"WE GOT EVERYTHING WE WANTED FOR OUR BUSINESS AND OUR PEOPLE.
NO COMPROMISE.
I GUESS THAT'S WHAT SOLD ME ON MILTON KEYNES."
JOHN McCOMB, DEPUTY CHAIRMAN, SENTRY MOTOR INSURANCE and CITY of WESTMINSTER LIFE ASSURANCE.
CONTACT: COMMERCIAL DIRECTOR, MILTON KEYNES DEVELOPMENT CORPORATION, WAVENDON TOWER, MILTON KEYNES MK17 8LX. TEL: MILTON KEYNES (0908) 74000.

UK NEWS

NEWS ANALYSIS—REVISED DAVIGNON PLAN

BY ROY HODSON

Stiffer steel competition

BRITISH STEELMAKERS are bracing for sterner competition next year because of planned relaxations in the European Economic Community's Davignon plan for the protection and revitalisation of the Community steel industry.

Private sector steelmakers, who account for nearly 200 per cent of Britain's steel output are particularly aggrieved by the modified Davignon plan put forward by the European Commission.

Their trade association, the British Independent Steel Producers' Association, has protested that nearly all the proposed changes will hit smaller steelmakers.

Mandatory minimum prices on two of their principle products — reinforcing bars and merchant bars — are to be abolished from the end of the year. That will make life harder for the independent works which convert scrap steel in electric arc furnaces.

The special steels producers in the private sector will also suffer if, as proposed, some of their products are removed from the list of those which cannot be imported into the EEC below minimum prices.

Freeing this market would further embarrass the hard-pressed producers in Sheffield.

The European Commission will put recommendations for changes to the Davignon plan to the European Council of Ministers later this month. Viscount Etienne Davignon, the European Industrial Commissioner, and architect of the steel rescue plan in 1977, warned last week that the European steel industry faces a new crisis in 1980 with a likely fall of 6m tonnes in its business, and average operating levels of no more than 70 per cent.

Near the end of its second year, the Davignon plan is recognised as essential support for the European steel industry during a prolonged recession. The plan almost collapsed last year when the crisis was at its worst. This year, as European demand improved by about 8 per cent, the plan gained many more supporters among steelmakers.

While a lobby, notably among West German producers, would like to return to free enterprise, the majority of European producers are fervent supporters of the plan.

Much credit goes to Viscount Davignon for his energy and flair in negotiating and selling his plans many points.

Its most effective part so far has been the limitation of the EEC's steel imports. Those agreements will continue next year with small proposed modifications such as an easing of restrictions on special steels.

The most important signatories of bilateral agreements are expected to renew them for a further year. The most significant agreements are with Japan and the Comecon nations.

The European Commission will have to take account of Greece's growing steel industry before it joins the Community at the beginning of 1981. Viscount Davignon is expected to insist on Greece falling into line with other EEC steelmakers without any lenient transition arrangements.

The least effective side of the Davignon plan is price maintenance to avoid under-cutting and heavy losses.

British steelmakers are the only ones seriously attempting to hold prices at the Davignon minimum levels. Britain being an island market helps. The other EEC steelmakers are discounting by up to 15 per cent.

Viscount Davignon has warned steelmakers that the modest relaxations the Commission has agreed to might be cancelled abruptly if, as he fears, the European steel market worsens in 1980. Meanwhile, he is permitting a freer market in hot rolled coil in order to assist the rationalisation of production in Europe.

That is a gesture towards the second stage of the Davignon plan—restructuring the European steel industry for the 1980s.

Viscount Davignon estimates that more than 80,000 European steel jobs will be abolished in 1980. The British Steel Corporation will shed about 15,000 if all its rationalisation plans go through. But capacity in Europe for flat rolled products, particularly for hot rolled coil, is rising. That trend will have to be reversed if restructuring is to be taken seriously.

Deltight may buy GKN Pembroke plant

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

GKN is discussing with Deltight Industries the possible sale of its industrial fasteners factory at Pembroke. GKN made the announcement yesterday.

The factory, which employs 170, had been due to close at the end of the year.

The announcement came two weeks after GKN said it was talking with Armstrong Equipment about the sale of the larger factory at Darlaston, in the West Midlands, which also makes fasteners. Both factories had been due to close because GKN decided they could not be made viable.

Buyers had been sought before the statutory 90-day redundancy notices were sent out at the beginning of September, but none came forward.

Deltight is a small company, which only recently went public. It specialises in particular types of fastener, which have not had competition from cheap imports as have the standard type.

GKN's Pembroke factory makes standard flat nuts, but Deltight's plans, if it should acquire the factory, are not known.

Boom in wrought iron stoves revives company's fortunes

BY MAURICE SAMUELSON

TWO YEARS on from the brink of bankruptcy, Britain's leading maker of traditional wrought-iron coal stoves can barely keep up with demand in Britain, Europe and the U.S.

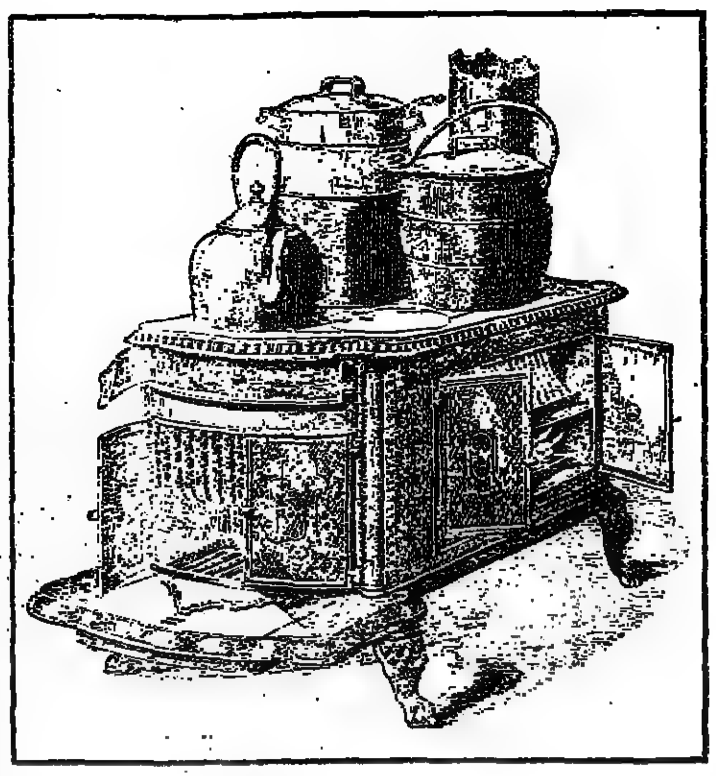
Smith and Wellstood, the Scottish company which sent a cooker to Florence Nightingale in Balaclava, is making about 1,000 stoves and cookers a month and expects to treble its output next year.

Last week, it celebrated its recovery by opening a museum-cum-showroom to display its old and new products. One model it has revived was designed for the covered wagons of the American West in the mid-19th century.

Started at Bonnybridge, Stirlingshire, in 1854, the company was rescued two years ago when it became a 100 per cent subsidiary of Newman Industries and Mr. David Gillan, a 40 year-old accountant, took over as managing director.

Then its business, which was losing £60,000 a month, was mainly contract work for the catering trade. It also made wheel chairs for the Department of Health. Gillan scrapped these lines of business. He retained the company's iron foundry and redeveloped its traditional market for Victorian-style stoves and cookers,

The business has taken off again. The workforce is back at 260 from 200 and two U.S. companies have agreed to handle sales in North America. Turnover has doubled to nearly £3m and, says Gillan, could double again in the next 12 months.



Florence Nightingale's Plantress stove.

He attributes the revival of U.S. demand to the energy panic hitting the top end of the market. Wealthier people falling back on solid fuel want to make a virtue of necessity by buying appliances which are luxurious as well as efficient.

Besides drawing room stoves retailing at about £300, it is also turning out traditional cookers costing about £600 Northern Ireland, were mains gas is expected to be phased out in the 1980s, is already one of the company's best markets. It also hopes for greater sales in the Irish Republic where householders are being offered £600 grants to install solid fuel equipment.

BP allocation details out this morning

BY RAY MAUGHAN

THE BANK of England is to announce at 9 am today the allocation basis of the 80m shares in British Petroleum offered by the Government to the public.

In spite of weakness in the share price throughout much of last week, the issue has been over-subscribed. The application lists closed one minute after opening on Friday. Although no details of the applications have been announced, they are not thought to have been more than double the number of shares on offer.

Dealings in the new shares are expected to start half-an-hour after the allocation details have been revealed. The Stock Exchange plans to open at 9 am and will close at 5 pm, instead of the normal 3.30 pm.

The shares rose 8p to 364p on Friday, 1p above the offer price.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Nov. 13—15	The All-Business Show (0582 23475)	Dunstable
Nov. 13—18	International Furniture Show (01-724 0851)	Nat. Exbn. Centre, B'ham.
Nov. 20—23	Electronics '79 Show (021 705 6707)	Olympia
Nov. 20—23	International Exhibition for the Food and Allied Industries (0273 698281)	Olympia
Nov. 21—23	National Aids for the Disabled Exhibition (0732 59533)	Wembley Conference Centre
Dec. 2—8	International Building and Construction Exhibition (01-486 1951)	NEC, Birmingham
Dec. 3—7	Royal Smithfield Show (01-235 7000)	Earls Court
Dec. 4—8	Breadboard Exhibition (Home Electronics) (0822 4671)	Royal Rorticultural Hall
Dec. 11—13	Automatic Testing Exhibition (02802 5226)	Metropole Exb. Hall, Brighton
Dec. 28—Jan. 6	Camping, Outdoor Holiday Exhibition and Motor Caravan Show (01-262 2886)	Olympia
Jan. 2—12	Model Engineer Exhibition (0442 41221)	Wembley Conference Centre
Jan. 2—13	London International Boat Show (0932 54511)	Earls Court
Jan. 23—30	HOTELYMPIA—International Hotel and Catering Exhibition (021-705 6707)	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	"Banque '79" Exhibition at Banking Congress (until Nov. 13)	Luxembourg
Current	International Hotel and Tourist Equipment Exhibition (until Nov. 18)	Genoa
Current	International Book Exhibition (01-540 1101) (until Nov. 21)	Berlin
Nov. 13—16	Industrial Safety and Occupational Health Congress and Exhibition (01-409 0956)	Dusseldorf
Nov. 13—17	International Maritime Exhibition—EUROPORT	Amsterdam
Nov. 14—17	Asian Business Expo	Hong Kong
Nov. 16—18	International Footwear and Leather Goods Accessories Exhibition	Florence
Nov. 16—21	Heating, Refrigeration and Air Conditioning Techniques, Exbn. INTERCLIMA/EXPOCLIMA (01-439 3964)	Paris
Nov. 16—25	International Building Exhibition (01-439 3964)	Paris
Nov. 20—23	Trade Fair for Clothing Textiles (01-734 0543)	Frankfurt
Nov. 21—24	Medical and Technical Exhibition and Congress (01-409 0956)	Dusseldorf
Nov. 21—27	IGEHO '79 Industrial and Institutional Catering Exhibition	Basle
Nov. 26—30	International Market for the European Diffusion of Sub-Contracting	Brussels
Nov. 27—Dec. 2	Swissfit '79 Exhibition for Swimming Pools and Sporting Equipment	Zurich
Nov. 27—Dec. 8	British Scientific Exhibition	Moscow
Nov. 30—Dec. 9	International Exhibition of Inventions	Geneva
Dec. 3—8	International Exhibition of hydraulic, pneumatic and mechanical transmissions (01-439 3964)	Paris
Dec. 5—8	First Asian International Electronic Communications Show and Conference (01-437 0678)	Singapore
Dec. 10—15	International Physics Exhibition (01-439 3964)	Paris
Jan. 13—17	Middle East Food and Equipment Show (01-486 1951)	Bahrain

BUSINESS AND MANAGEMENT CONFERENCES

Nov. 12—13	Seminars International: Product Liability—Avoiding Claims, Minimising Risk and Cutting Costs (01-235 2000)	Hyde Park Hotel, W1
Nov. 12—16	Kepner Tregoe: Decision Making for Senior Management (0628 38083)	Wheetely Hall Hotel, Banbury
Nov. 12—23	Lamsac: Organisation and Methods (01-828 2333)	City of Leicester Polytechnic
Nov. 12—13	Oyez/IBC Wills and Probate (01-242 2481)	Connaught Rooms, WC2
Nov. 13	Inbucon: Focus on Priorities (01-353 3651)	Café Royal, W1
Nov. 13	Oyez/IBC Current Cost Accounting (01-242 2481)	Cavendish Conference Centre
Nov. 14—15	RRG: Captive Insurance Companies. Establishment Operation Management (01-236 2175)	Portman Hotel, W1
Nov. 14	CCC: UK Tax on Foreigners Employed or Resident in the UK (01-222 6362)	Portman Hotel, W1
Nov. 14—15	Waisweiller Adfos: Foreign Exchange (01-402 6989)	Hilton Hotel, W1
Nov. 14—15	FT Conference: Change in the Economy (01-236 4383)	Café Royal, W1
Nov. 15	IPM: Industrial Relations Law (01-387 2844)	Upper Woburn Place, WC1
Nov. 15	IPS: Northern Ireland Branch Conference (0990 23711)	Crumlin, Co. Antrim
Nov. 16	Oyez: Prevailing Against a Liquidator (01-242 2481)	Royal Lancaster Hotel, W2
Nov. 19	CAET: Acquiring a Small Business Computer (01-580 7169)	Waldorf Hotel, WC2
Nov. 20—21	EVDG: Resources for Electric Vehicles and Their Infrastructure (01-359 7352)	RIBA, W1
Nov. 21	College of Marketing: Economic Prospects for Consumer Markets in 1980-81 (06285 24922)	Hilton Hotel, W1
Nov. 22	LCCI: An Industrial Policy for Europe (01-248 4444)	Portman Hotel, W1
Nov. 26	BIM: Management Remuneration and Benefits (01-405 3456)	Kensington Close Hotel, W8
Nov. 27	Inbucon: Scottish Salary Administration Seminar (041 331 0792)	Albany Hotel, Glasgow

This week's business in Parliament

TODAY

COMMONS—Completion of the remaining stages of the Southern Rhodesia Bill.

SELECT COMMITTEE—Public Accounts. Subject: Independent Broadcasting Authority. Witnesses: Home Department. IBA. (Room 16. 4.45 pm).

TOMORROW

COMMONS — Debates on Opposition motions on the failure of the Government to support the woolen and textile industries, and on cuts in BBC External Services.

LORDS — Southern Rhodesia Bill, all stages.

SELECT COMMITTEE. Parliamentary Commissioner for Administration. Witnesses: Parly Comm. for Administration and Comm. for complaints, Northern Ireland. (Room 7, 5 pm).

WEDNESDAY

COMMONS — Remaining stages of the European Communities (Greek Accession) Bill and of the Shipbuilding Bill.

LORDS — Greater London Council (General Powers) Bill, second reading. Greater London Council (Money) Bill, second reading. Debates on the increasing inability of the National Health Service to meet the needs of patients, and on the need to encourage district heating schemes.

SELECT COMMITTEE — Unopposed Bills. University College of London (Room 9, 4 pm).

THURSDAY

COMMONS — Second reading of the Protection of Trading Interests Bill and of the Papua-New Guinea, Western Samoa and Nauru (Miscellaneous Provisions) Bill, and proceedings on the Ise of Man Bill.

LORDS — Insurance Companies Bill, committee stage. Debate on the fluoridation of water supplies to protect teeth.

FRIDAY

COMMONS — Private Members' Bills.

Exhibition opens Wednesday week

The Somerset House Art Treasures Exhibition will be opened by the Duke of Edinburgh on Wednesday, November 21, and not on November 22 as stated in Saturday's issue.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagement during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—
Guinness Peat, Winchester House, 77 London Wall, EC, 11.45
Ramar Textiles, Park Suite, Hyde Park Hotel, SW, 12.00

BOARD MEETINGS—
Finals:
Clydesdale Investment
Interims:
King and Shaxson
Northern Goldsmiths
Norwest Holst
Rothschild Inv. Trust
Seccombe Marshall and Campion
Warner Holidays
Western Motor

DIVIDEND & INTEREST PAYMENTS—
Aberdeen Tst. Db., 2pc (May)
Appleyard, 2.25p
Ayrshire Metal Products 2p
Baracora Tea 5pc Pf., 1.19863p
Bramall (C. D.) 2.05p
Brooks Watson 0.75p
Edinburgh American Assets Tst. Db., 2½pc
Investors Cap Trust D b. 2pc
Modern Engrs. of Bristol, 1p
Revertex Chems. 1.17p
Scottish Eastern Inv. Dbs., 2 (Red.), 2 (Perp.) 2¼pc
Sumner (Francis) 0.55p
Utd. Wire 5pc Pf., 1.75pc
Wearwell, 0.8p
Wimpey (George), 0.75p
Wolstenholme Rink, 2.5p

TOMORROW

COMPANY MEETINGS—
Amber Day, The Churchill Hotel, Portman Square, W, 14.30

BOARD MEETINGS—
Finals:
Arenson (A.)
Beltway
Smiths Inds.
Interims:
Advance Laundries
Arbuthnot Latham
Bromsgrove Casting and Machining
Brown Shipley
Control Securities
De La Rue
GEI International
Howard Tenens Services
LCP
Philips' Lamps
Smith (W. H.)
Young and Co.'s Brewery
Young Companies Inv. Trust

DIVIDEND & INTEREST PAYMENTS—
Amber Day, 1.9625p
Barlow, 1p
Brocks Grp. of Cos., 1.2834p
Diamond Shamrock Europe Db. 5¼pc
Finlay Packaging 0.4p
First Castle Secs., 0.605p
Law Land, 0.5p
Miller (F.) (Textiles), 1.1p
Utd. Newspapers, 9p

WEDNESDAY NOVEMBER 14

COMPANY MEETINGS—
Danks Gowerton, 257, Halesowen Road, Netherton, Dudley, West Midlands, 12.00
Sanderson, Murray and Elder, Victoria Hotel, Bridge St., Bradford, 12.15
Scholes (George H.), Wylex Works, Wythenshawe, Manchester, 12.00
Stoddard, Glenpatrick Works, Elderslie, Johnstone, Renfrewshire, 12.00
Trafford Park Ests., Midland Hotel, Peter St., Manchester, 12.00

BOARD MEETINGS—
Finals:
International Telephone
Scottish and Mercantile Investment
Interims:
Chloride
Chamberlin and Hill
Chubb
Davis (Godfrey)
Flight Refuelling
Folkes (John) Hefo
Hill Samuel
London and Lennox Inv. Trust
Porter Chadburn
Unilever
Unilever NV
Wight Holdings

DIVIDEND & INTEREST PAYMENTS—
Akzo N.V. (Reg.), H.Fl.1. Do. (Br.), H.Fl 1. Do. Br. Certs. iss. by Japhet for Ord., 5pc
Danks Gowerton, 1.456p
Estates Prop. Invst., 2.8p
Jessel Toynbee, 1.75p
Laing (John) Ord. and A, 1p
[illegible]
Merrill Lynch 24cts.
New Zealand 5¼pc 1978-82, 2¾pc
Scholes (George H.), 12.52p
Suora Grp., 0.78p
Trafford Park Ests., 3p
Treasury 5½pc 1980, 4¼pc

THURSDAY NOVEMBER 15

COMPANY MEETINGS—
Atlantic Assets Tst., 1, Charlotte Square, Edinburgh, 12.00
Independent Invst., 1, Charlotte Square, Edinburgh, 11.55
Walker (Thomas), Midland Hotel, Birmingham, 12.00

BOARD MEETINGS—
Finals:
Anglo-Scottish Inv. Trust
Atlanta, Baltimore and Chicago Regional Inv. Trust
British Sugar
LWT
Manganese Bronze
Tysack (W. J.)
Interims:
Beales (John)
Black Arrow
Boots
Hinton (Amos)
Joseph (Leopold)
Land Securities Inv. Trust
Valor
Wilson Investment

DIVIDEND & INTEREST PAYMENTS—
Abbott Labs., 25cts.
[illegible]
Agric. Mort. 5½pc Db. 1983-87, 4¾ pc
Allen Harvey and Ross 4pcPrf.Pf., 1.4p
Alliance Inv. 5pcPf., 2pc
BOC Intnl. Debs., 2½, 3¼pc
Barclays Bank Ln., 4¼pc
Barnet 7¼pc Red. 1982-84 3⅝pc
Beattie (James), Db., 3¼pc
Birmingham and Dist. Inv. Tst. Db., 2¾pc
Borg-Warner 57½ cts.
Bracken Mines, 15.70395p
British Assets Tst. Db., 2pc
British Elec. 3½pcGtd. 1976-79, 1¾pc
British Sidac Db., 2¼pc
Brunswick, 20cts.
Burt, Boulton Db., 3¼pc
Cardiff 7pc Red. 1979-82, 3½pc
Chase Manhattan, 60 cts.
Clydesdale Inv. Db., 2¼pc
Colgate Palmolive, 27cts.
Con. of London 13½pc 1983, 6¾pc
Croydon 6¼pc Red. 1978-81, 3⅛pc
Esso Pet. Db., 3pc
External Inv. Tst., 3.025pc
Exchequer [illegible] 1996, 6¾pc
Executex Clothes, 0.667p
Finance for Industry Ln., 7pc
General and Commercial Inv. Tst. Db., 2pc
Gloucester 9½pc Red. 1979-81 4¾pc
Goodyear Tyre and Rubber Db., 2¼pc
Guinness Peat 4p
Hambros Inv. Tst. 5pcPf., 1.75pc
Hume 7pcPf., 2.45pc
Industrial and Gen. Tst. Db., 1¾pc
Islington 13½pc Red. 1982, 6¾pc
Kinross Mines, 42cts.
Leslie Gold Mines, 10.0854p
Liberty Ord. and Non-Vtg. Ord., 0.8p
Liverpool 9¼pc 1980-84, 4⅝pc
London and Manchester Assurance, 3.15p
Maidstone 6½pc Red. 1979-81, 3¼pc
Met. Estate and Prop. Intnl. N.V. 9¼pc Ln. 1988 (Reg. by Bds. to Br. in Denom. Euro 1 000), 4⅝pc
Midland Bank Floating Rate Cap. Notes due 1982, 5¼pc
Nash (Wm.) 6½pcPf., 2.275pc
[illegible] 1982-84, 3½pc
P.M.A., 2p
Peninsular and Oriental Steam Db., 2¼pc
Rustenburg Plat., 15cts.
St. Helena Gold Mines, 175cts.
Scottish Amer. Invst. Db., 1¾pc
Scottish Northern Inv. Tst. Dbs. 1½ (1970-80) 1½ (1962 or after), 2 (1973-1983), 2 (1962 or after) pc
Scottish Utd. Investors Db., 2¼pc
Sime Darby London 7½pcPf., 1.98493pc
Solicitors Law Stationery Soc. 0.75p
Sperry, 30cts.
Staffordshire Potts. Water Brd. 11¼pc Red. 1981, 5⅝pc
Standard Life Assurance Perp., 2¼pc
Stoddard Ord. and A, 0.6576p
Strong and Fisher, 4p
Sunderland 5¼pc Red. 1979-81, 2⅝pc
Swansea 9¼pc 1979-80, 4⅝pc
Transatlantic and Gen. Invsts., 2.8p
Treasury 12¼pc Ln. 1995, 6⅛pc
Tyne and Wear 12pc Red. 1986, 6pc
Walker (Thomas), 0.764p
Wankie Coll., 6cts.
Warner Communications 35cts.
Watts, Blake, Bearne, 1.3p
West Herts. Main Drainage 9¼pc Red. 1981-83 4⅝pc
Winkelhaak Mines, 70.10695p
Yougal Carpets 7½pcPf., 3.165973pc (Incl. [illegible])
Zapata, 7½cts.

FRIDAY NOVEMBER 16

COMPANY MEETINGS—
Electronic Machine, Winchester House, 100, Old Broad St., EC, 12.00
Greencoat Props., Connaught Rooms, Gt. Queen St., WC, 12.00

BOARD MEETINGS—
Finals:
Cardiff Malting
HTV
Northern American Trust
Town Centre Securities
Interims:
Braemar Trust
Fobel International
Foster (John)
Highgate Optical and Industrial
Lloyd (F. H.)

DIVIDEND & INTEREST PAYMENTS—
Adwest, 9.85p
Anchor Chem., 2.38p
Armstrong Equip., 1.72p
Bemrose, 2.233p
Brent Chems. Intnl., 1p
Combined Insurance of America, 35cts.
Commercial Union Assnce. 4.254p
Copenhagen (City of) 5pc 20yr. Extnl. Ln. of 1965, 3pc
Empire Stores (Bradford), 2.4p
Fed. Land and Building, 1p
Hamilbourne, 0.5p
Henriques (Arthur), 0.6p
[illegible] 2.3p
London and Holyrood, 2p
London and Prov. Tst., 2p
Mackay (Hugh), 1.4p
McLellan (P. and W.), 0.5p
Molins, 2.2p
Moss Bros, 1.4p
New Central Witwatersrand Areas, 23½cts.
Newcastle and Gateshead Water 3.5pc (fmly. 5pc) Cons. P 1.75pc, 3½pc (fmly. 3½pc) Perp. Pf., 1.225pc, 3.5pc (fmly. 5pc) Red. Pf. 1980-81, 1.75pc, 4.025pc (fmly. 5¾pc) Red. Pf. 1982-84, [illegible] Red. Pf. 1978-79, 2.1pc, 4.2pc (fmly. 6pc) Max. Ord., 1.05pc 7pc (fmly. 10 pc) Max. Cons., 2.8pc 4.9pc (fmly. 7 pc) Max. Cons. (1976), 1.96pc 4.9pc (fmly. 7pc) Max. Ord. (1956), 1.96pc
Park Place Invsts., 1.8p
Photax (London), 1.5pc
Ransomes Sims an Jefferies, 3.43p
Spear (J. W.) 3p
Stone Platt Ord. Units, 1.4p
Unisec, 4.5cts.
Yorkshire Fine Woollen Spinners, 0.8p

SATURDAY NOVEMBER 17

DIVIDEND & INTEREST PAYMENTS—
Camparl Intnl., 2.1p
Grampian, 1.6p

SUNDAY NOVEMBER 18

DIVIDEND & INTEREST PAYMENTS—
Agric. Mort. Variable Rate Bds. Red. 12-11-82, £6.3563.

INSURANCE

Strong support for 'utmost good faith'

BY OUR INSURANCE CORRESPONDENT

EACH WINTER the Insurance Institute of London mounts a series of lectures, debates, discussions and other meetings, covering matters of fundamental law and practice, and problems in the mainstream of insurance.

Meetings are held in various parts of London, but by tradition the main meetings are held at 5.30 pm on Mondays in the Chartered Insurance Institute hall at Aldermanbury. The programme includes papers by eminent people outside the industry.

Likely to draw the biggest audience this winter is Mr. Roy Jenkins, President of the European Commission. On March 3 he will discuss "Prospects for the Community in the 1980s."

Mr. Malcolm Reid, Under Secretary, insurance division of the Department of Trade, should also be well heard when he reviews the Department's regulations on January 21.

Other main Monday meetings offer papers—all by people practising in insurance—on "British Insurance Companies' Overseas Operations," November 19; "Are Captives Here to Stay?" (December 3); "The Role of Insurers as Institutional Investors" (February 4); "London's Place in the Developing International Market" (February 18); and "Free Enterprise in a Mixed Economy" (March 17).

Last Monday, Mr. Ian Findlay, chairman of Lloyd's, spoke on "utmost good faith," the legal principle that underlies the edifice of British insurance, and distinguishes the contract of insurance from all other contracts.

Modification

But utmost good faith is no longer accorded its past reverence. In Britain, law commissioners question the continued application of its full rigour, while some consumerists object to its existence. In many countries on the continent, because insurers have got by without the severity of British rules, progress towards Common Market harmonisation argues for modification.

However, modification lies in the future, and may be years away. Meanwhile, the principle of utmost good faith remains the legal cornerstone which no practitioner should seek to diminish. It is good to know that the chairman of Lloyd's has declared himself staunchly on the side of the traditionalists.

Because Lloyd's underwriters can handle business brought to them only by Lloyd's brokers, and so indirectly from existing and would-be policyholders, the duty of disclosure rests firmly on the Lloyd's broker, who is unarguably the agent of the proposer/policyholder in the obtaining of cover. Of course, the same is true of the placing broker operating in the company market.

Mr. Findlay's comments on the duties of brokers were made primarily in the Lloyd's context, but are equally applicable to non-Lloyd's operations.

Responsibility

"It is incumbent on the broker to present his client's case fairly and fully in order to allow the underwriter to make a balanced assessment of the risk . . . The professional intermediary should be aware of every aspect of the risk that might influence an underwriter's judgment — perhaps be even more aware than his clients of every implication of the risk. . . . If a broker were, for example, unaware of which facts were material, he would put insurers perhaps in a worse position than they would be if they were dealing direct. . . . It is here that uberrima fides (utmost good faith) is in danger of yielding place to a new watchword—caveat vendor—let the seller beware."

According to Mr. Findlay, the establishment of the British Insurance Brokers' Association, important as it is to the maintenance of professional standards, "does not necessarily still the qualms of underwriters," while "examinations don't necessarily cover ethics and attitudes and they don't ensure that young people receive the leadership and training that is so essential . . . A sense of responsibility and professional judgement is still called for if our markets are not to deteriorate to a mere bazaar-like haggle over terms."

Stern words, but Mr. Findlay is not a prejudiced underwriter. He is a former chairman of Lloyd's brokers Sedgwick Forbes.

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FINANCIAL TIMES SURVEY
Monday November 12 1979

Retailing

Britain's retail trade has had to cope this year with dramatic changes in trading conditions and sales volume. In the next few years, advances in store development, distribution, credit facilities and new technology are likely to accelerate the pace of change.

Looking ahead to the 1980s

By David Churchill
Consumer Affairs Correspondent

BRITAIN'S RETAILERS, at present in the midst of the crucial pre-Christmas trading period, are still reeling from the variety and speed of developments in the retail industry which have affected them so far this year.

The essence of successful retailing is supposed to be the *management of change*—but few retailers would want 1980 to be as volatile a year as 1979 has so far proved to be. The final year in a decade is traditionally supposed to be a watershed year and it seems highly probable that the repercussions of this year's events—such as in forcing mergers between retailers—will be felt well into the 1980s.

The year had started brightly enough for the retail trade, with a relatively good Christmas likely to be followed by the mini-boom conditions that had emerged during 1978. But within weeks the problems had started. The impact of the severe wintry weather and the various transport disputes, especially the lorry drivers' and rail strikes, brought sharply home to the public just how vulnerable is the retail distribution *system, especially for food*. The weather, the transport disputes, and the public service workers' *strikes also had the effect of* making clear to the public the economic problems that faced the UK—with the inevitable slump in the level of consumer confidence.

Apart from the food retailers, who benefited from panic buying by shoppers, most major High Street retailers were badly mauled by the strikes and weather. The *Debenhams group*, which normally has a marked boost to volume sales and profits from the January bargain sales, is understood to have had sales some £5m below the expected level, which meant around a £1.25m loss to annual profits.

After this bad start to the year, the retail trade was then faced with a complete about-turn *in demand*. The anticipation of the usual Spring Budget led to the traditional pre-Budget buying spree, even though the Budget did not take place. The *Conservatives'* election victory also boosted consumer demand — as monitored by the monthly Financial Times survey of consumer confidence.

But the dramatic surge in demand came in the few weeks before the June Budget when, *for the second time this year*, consumers decided to buy in anticipation of higher tax and duty charges in the Budget. As trade sources have since revealed, much of this boom was financed out of the increasing availability of credit facilities rather than out of disposable income.

Nevertheless, sales in June rose by 6 per cent in volume *over the previous month*, while the total value of these sales were about 20 per cent *higher than a year earlier*.

Consumer durables such as freezers and colour televisions, proved to be most *in demand* even though these goods already carried a higher rate of VAT than most others and, therefore, were likely to be relatively less affected by any VAT increases.

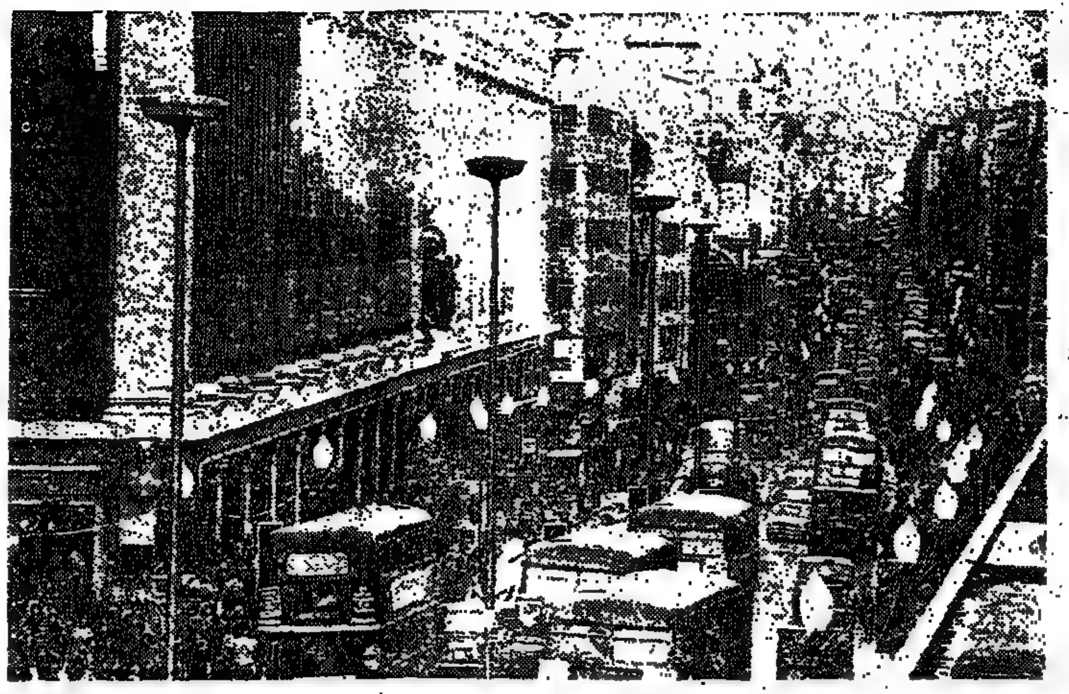
Sales

However, the dramatic surge in sales came to an abrupt end once the swingeing VAT increase — from 8 to 15 per cent —*was announced in the* Budget. Sales volume, according to Department of Trade figures, fell by *10* per cent in July as consumers decided they were unable, or unwilling, to pay the higher prices caused by the VAT increase.

Since then, however, there has been a partial recovery in sales volume with the provi*sional Department of Trade* sales volume index for September standing at 111, compared with 120.3 in June and 108.7 in July.

On top of these swings in sales volume caused by political factors, the retail trade has also had to come to terms with two other factors. London retailers in particular have been faced, *for the first time in several* years, with a shortfall in the tourist trade which they had come to rely on to maintain sales volume through the summer months.

In addition, the independent television dispute badly affected the advertising plans by retailers to stimulate demand during the early Autumn. The impact of blank television screens is illustrated by the *fact* that Britain's retailers are the largest advertisers in Press and television, according to figures produced by Media Expenditure Analysis Limited. All top ten advertisers are retailers—led by the Boots group—and in fact some 14 out *of the top 20 advertisers are* retailers.



Consumers may be preparing for a pre-Christmas spree before sharply cutting back on spending in the New Year. Above: Shoppers throng London's Oxford Street

But the most dramatic response to the topsy-turvy trading conditions came from Marks and Spencer which took the retail world by surprise when, in early September, it announced an £11m package of price cuts. Marks *felt* that pressures *from* rising costs on the one hand, and the prospective downturn in demand on the other, were combining together to put the retail sector under intense pressure. Consequently, Marks felt that immediate action was needed to *strengthen* its position in the tougher trading times ahead.

Not surprisingly, given the volatility of consumer spending patterns so far this year, there is considerable uncertainty over the future course of demand. Although the much-vaunted October tax rebates have not so *far appeared to have led to* a major sales recovery, most retailers expect that they will at least give a psychological boost to sales in the final two months of the year. Consumers, it is also argued, may be preparing for a final pre-Christmas spree — largely financed by credit cards and hire purchase —before sharply cutting back on spending *in the New Year*.

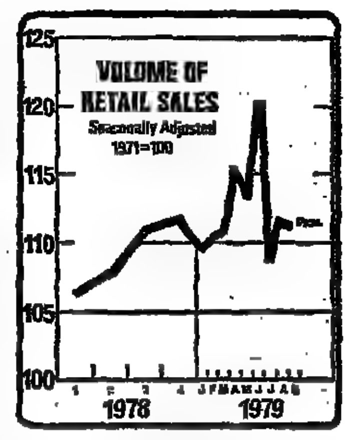
Stockbrokers Phillips and Drew, for example, says that it expects "the level of trade to fall sharply between the final quarter of this year and the first three months of next and, although some recovery seems likely during the course of 1980, the year as a whole could show a slight decline in volume."

The official Government view suggests that retailers next year will be faced with a gradually *declining inflation rate and little* or no growth in real terms in consumer spending.

Apart from the *level of consumer* demand, the other side in the retailing equation is the level of operating costs which dictate the level of profit margins.

The most important single cost element for retailers is labour costs, which can account for about *half of a typical* store group's operating costs. In spite *of the widespread development* of self-service, retailing is still very much a labour intensive industry. Yet the high proportion of women workers and the substantial staff turnover have meant that wages are traditionally low. But some major pay settlements in the retail sector have averaged around 15 per cent in recent months and, with *rising inflation*, the pressure for higher pay settlements in negotiations still outstanding is mounting.

Apart from labour costs, the other major cost pressures come from higher energy costs and substantial rate rises in prospect. Higher energy prices affects not only heating and lighting in stores, but also the *costs of raw materials and dis*tribution. And, as central government support for local authorities is reduced, so the extra funding from the rates becomes more likely.



Yet while the uncertainties over rising costs and falling consumer demand are problems *that retailers traditionally have* to worry about, there are several other major issues that *are likely to accelerate the pace* of retail change in the 1980s.

Four of these key issues (i.e., store developments, distribution, credit cards and electronics) are highlighted on pages two and three of this survey.

But apart from these and other trading developments, the retail trade also faces the *impact of possible Government* intervention. Although the Government wants to reduce the effect of consumer protection legislation on small traders, it is also determined to use the new Competition Bill to promote efficiency and end restrictive trade practices.

In particular, retailers are anxiously awaiting the report of the Monopolies and Mergers Commission—due to be published sometime next year—into the *whole question of the dis*counts retailers are able to squeeze out of manufacturers.

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Growing importance of efficient distribution

CONTINUING PRESSURE on profit margins and changes in the structure of the retailing sector have focused attention on the importance of distribution.

The lorry drivers' dispute last winter served to underline the dependence of retailers on road transport while rising fuel prices have prompted an examination of distribution costs. The degree to which retailers rely on road transport can be seen within the grocery trade.

In tonnage terms, the food, drink and tobacco sector forms a growing proportion of the goods moved in the UK. In 1976 the sector accounted for 17.6 per cent of the tonnage transported and was second only to minerals. More than 99 per cent of the 306m tonnes of food was carried by road.

The growth of the major *chain store retailers*—*largely* at the expense of the smaller independent retailers—has had an impact on distribution systems.

Greater concentration has led to a change in the balance of power between the suppliers and retailers with the retailers taking more and more of the *responsibility for distribution.*

This in turn has led to a growing use of centralised distribution depots. Such systems facilitate the greater use of consolidation (combining products for delivery), have permitted firmer control by the retailer over the movement of goods and led to innovations in the use of *computers to control stocks.*

The search for economies of scale has led most multiple groups and the co-operative societies to develop centralised distribution systems and the trend is expected to continue.

In 1967, the (then) Supermarket Association estimated that 60 per cent of manufacturers' grocery deliveries were made to retailers' own depots with the remaining 40 per cent delivered direct to branches. *Ten years* later, estimates suggested that between 65 and 70 per cent of grocery stock passes through a centralised warehouse system, provided either by a wholesaler, retailer or professional carrier.

Multiples

Against the trend towards consolidation and centralised warehousing, some multiples, such as Asda Stores and Carrefour in the grocery sector, operate outlets large enough to justify complete direct delivery and have no depots of their own.

Whatever the distribution system selected, the problems of congestion, delays and delivery restrictions persist for those retailers situated in the High Street.

This has prompted bodies such as the Lorries and the Environment Committee to undertake studies on improving distribution efficiency. A report published by the committee in March confirmed the view that increased use of consolidation could improve load efficiency and suggested savings could be as much as 50 per cent.

The committee also said that overcoming problems at the point of delivery "could save a substantial proportion of *distribution costs.*" *Top of the list* of savings came the elimination of queuing which would save about 12.25 per cent, followed by better access and shop design and the use of larger vehicles (11.25 per cent saving).

In investigating the area of consolidation the committee *found that 46 per cent of the* value of deliveries were made in retailers' own vehicles with professional carriers and parcel operators accounting for a further 12 per cent. Manufacturers' vehicles account for 27 *per cent of total deliveries* but make smaller drops per delivery.

Lower capital investment in transport, economies of scale and the time lag before cost increases were passed on to customers were suggested as the advantages of consolidation. Disadvantages included the loss of direct control over delivery although the committee said this could be overcome by internal re-organisation or by paying for the services of a specialist distribution company.

The committee said there appeared to be opportunities for many more manufacturers to use distribution companies for *part of their deliveries*—a finding welcomed by the professional distributors who have been fighting hard to retain their share of the market against independent operators and own account systems.

The *shift away from* more traditional distribution systems and the change in the structure of retailing has led the professional carriers to provide total specialist services to customers.

SPD, part of the Anglo-Dutch *Unilever* Group, has *for* example, diversified from its traditional grocery base and now provides a series of specialist services and a full integrated distribution package to customers including a range of *management* and sales support systems involving the use of computer-run accounting and stock control.

The wider use of centralised depots by the multiple retailers and the direct delivery systems used by the "*hypermarkets*" could lead the smaller retailers to take more advantage of the *consolidation* facilities offered by the professional carriers like SPD and Cory distribution.

Therefore, while the dominant trend appears to be towards greater concentration and consolidation, it is likely that the *individual distribution* requirements of retailers in the 1980s will ensure the survival of *mixed distribution* systems with a continuing role for the specialist professional carrier alongside own-account vehicles and other operators.

Paul Taylor

A new approach to planning control

RECENT GOVERNMENT initiatives on the inner city areas, *land use and planning controls* are providing developers with a new and perhaps more stable framework for the 1980s.

One of the Government's most dramatic initiatives so far has been the decision to set up two new bodies to oversee the development of 8,000 acres of derelict dockland in London and Manchester. *These two urban* development corporations have wide ranging planning and development powers, similar to those of the new town authorities.

In the other inner city areas the existing partnership machinery is to continue, but Mr. Michael Heseltine, Environment *Secretary, has promised that* operations will be streamlined to reduce delays.

Taylor Woodrow, the international building and civil engineering group, last month unveiled a £400m plan to build a major shopping, hotel and "free port" complex on 119 acres of land in London's Surrey Docks.

The plan which unlike a similar scheme proposed earlier this year by Trammell Crow does not call for the aid of Government funds could mark a real start to the redevelopment of London's dockland.

However, Taylor Woodrow has warned that it will not pursue the scheme unless the Government agrees to a relaxation of planning controls.

On the general question of controls, Mr. Heseltine has made it clear that he does not see the main purpose of development control "to frustrate" and has said he wants "to remove the clutter" from the present system. He has urged developers to appeal directly to him when there is long delay.

One positive step he has already taken is to remove duplication from the local government planning system. He intends to make planning control, with limited exceptions, a district council function, *removing shared control from* the county councils.

Mr. Heseltine has also urged a *speeding* up of the preparation of structure plans and will approve local plans in advance of county structure plans if these are delayed.

It remains to be seen whether these measures will reduce planning delays and, perhaps equally important, the differences in speed with which local *authorities process planning* applications.

Process

Figures released last month by Mr. Tom King, Local Government Minister, show that, although about 70 per cent of planning applications are handled within the statutory eight-week period, this average figure concealed a wide range.

Mr. King, speaking at the annual conference of the National Housing and Town Planning Council, said some local authorities process 90 per cent of their planning applications within eight weeks while others only process 10 per cent in the same time.

"There can be no justification *for this disparity*," he said.

For the small retailers, an assurance from Mr. King that the Government recognises the importance of the small business in the economy must be welcome. Mr. King said that the *planning system had* been particularly harsh to small businesses but added that "when small enterprises want to take root, perhaps in existing buildings, in areas which are primarily residential or rural, they should not be prevented from doing so unless there are very strong and specific reasons against it."

The large multiple retailers, particularly the supermarket operators, will, however, be waiting to see what policy Mr. Heseltine will adopt towards the large out-of-town shopping developments which *have* become an increasingly important feature of the market, but which previous Government's have generally opposed.

The multiple retailers will also be keen to see the effects of the Government's policies aimed at *increasing land availability.*

Mr. Heseltine has announced that the Government intends to set up a register of surplus land open to inspection and challenge by the general public and developers.

This measure is aimed particularly at local authorities, *Government departments* and public bodies which have unused land suitable for development.

In addition, the Government is to repeal the Community Land Act, a move which it is claimed will result in more land becoming available for development at lower prices.

Although it is perhaps too *early to assess the full impact of* the new approach to development and planning control it is apparent that Mr. Heseltine and his team at the Department of the Environment, are making a strong attempt to disentangle the jungle of restrictions and delays which are at the root of many criticisms of the present system.

The Government's fresh approach has received a warm welcome from developers—despite the intention to introduce charges for planning applications and shift responsibility *for enforcing building regulations* from local authorities on to developers.

If the Government also succeeds in generating an improved economic climate then retailers will share in the rewards that brings.

Paul Taylor

Complex problem for unions

HARD ON the heels of Britain's engineering workers, around 130,000 staff in supermarkets have just won a reduction of one hour in their working week to 39 hours—and, furthermore, without any resort to industrial action.

The reduction, which is accompanied by a two-stage wage settlement, the first part of which comes into effect today, will be implemented from next November—one year earlier than the 39-hour week which the engineering workers achieved after 10 weeks of intermittent disruption.

The pleasure which the new deal for supermarket workers has given was noticeable in the Manchester headquarters of the Union of Shop Distributive and Allied Workers, a numerically *large — 460,000-members — but* historically, somewhat weak body, labouring in one of the most difficult areas for union recruitment.

The main body representing shopworkers of all kinds, USDAW, has had to contend with the difficulties posed by the very diffuse nature of retailing. *The estimated 2m workers in* UK retailing are spread throughout literally scores of thousands of establishments, some employing only two or three people. Much of the labour force is female and part-time and turnover of staff is often very high. The cost of servicing as well as recruiting such a membership is much higher than is the case with factory workers who are likely to be found in much larger units.

With around one-third of its members coming from manufacturing activities—mostly food production—USDAWs retail membership at around 270,000 is thus well short of the potential. Even within its retailing membership, around *half* are accounted for by the co-operative societies with which USDAW has had long links and which have granted it one of its few closed shops.

Sign

The new agreement for supermarket workers is a sign, however, that circumstances may now be changing. One of the most important developments in post-war retailing has been the concentrating of activity in the hands of fewer *of the larger organisations* which now dominate the high streets up and down the country.

The trend has been particularly strong in food retailing where a handful of larger store groups—Tesco, Sainsbury, Fine Fare, International and Safeway—dominate grocery sales. *Significantly, it is in* supermarkets where USDAW has been growing most rapidly, and, partly in response to the growing unionisation of their members, most of the big groups (though not Sainsburys) now negotiate with USDAW through their own trade association, the Multiple Food Retailers Employers' Association. It is this organisation which has now conceded the 39-hour week for supermarket workers.

Outside food retailing, USDAW—which has a relatively clear run from other unions in recruiting shop workers—has been seeking to build up its membership in the big High Street chain stores, such as Boots and Woolworth and it has managed to secure recognition as the main bargaining unit *for* staff from a number of store groups.

Its recruitment campaigns have included extensive use of newspaper poster, and transport advertising sites, and even local radio in Nottingham where Boots has its headquarters.

Another factor which seems certain to give a continuing impetus to union recruitment throughout retailing is the generally low wage levels. The new *agreement* with supermarket operators takes pay for the lowest grades—such as shelf packers—up from a very low £42.30 per week to a still fairly low £55 a week in two stages. Pay in the non-food sector tends to be somewhat higher and, in some branches of retailing, there is scope for further earnings through commission. Even so, minima are still only around £60 in sectors, such as menswear.

According to USDAW officials, there is plenty of evidence, too, that the minima laid down by the retailing wages councils are often not paid by smaller establishments. This usually comes to light when a member of staff, probably in a single branch establishment, decides to try and improve his own lot by seeking out union membership.

The new challenge which the *union will* have to face in the next decade is posed by changes in retailing itself — changes which could prove *to be as* revolutionary as the post-war switch from corner store to supermarket shopping.

New electronic systems, now being introduced, will affect a variety of retailing operations from the *need to price* goods individually with sticky tags to stock control, re-ordering and warehousing. As a result, the back-up staff now required in supermarkets and other big volume outlets could be drastically cut.

Changes

Further into the future, the very nature of shopping could change. Instead of *selecting* goods from shelves, customers may, by the end of the century be using a keying system to *indicate* the products they want, which will then be taken out of the store, assembled, packed and *presented* at a pick-up point for loading into the family car. Instead of having to queue at the check-out the customer would simply have his bank account debited.

Such systems are clearly a *long way off.* The very possibility of such changes could be another factor, however, in promoting during the rest of this century the spread of unionisation within retailing.

Rhys David

Big expansion in credit facilities

THE SPEED with which the retail trade have introduced its own credit card facilities over the past year is a prime *example of the trade's ability* to cope with change and react quickly to new developments—the hallmark of a successful retailer.

Even so, retailers' alacrity in embracing "plastic money" came as a surprise to many people. But once the floodgates had been opened by one or two major retailers, it was inevitable that the bandwagon effect would ensure that the trickle of available credit cards would soon become a flood.

For a number of years, menswear retailers such as Burtons and Hepworths have offered customers their own credit card type of facility. Department stores also have traditionally offered their customers special credit facilities. But now virtually every major High Street trader operates some form of *credit facility for customers.* *During* the past year, stores such as Marks and Spencer, Boots, Tesco, Woolworths Habitat, Dixons, and the Co-op, *have all launched* their own credit facilities, albeit under the auspices of one of the large clearing banks or financial *institutions.*

The retail credit card facility that has proved the most popular with retailers—and customers as well—is the budget account card. Under this system the card holding shopper is able to borrow up to some multiple of an agreed monthly sum.

The minimum payment is usually at least £5 — and there is often a maximum payment as well — and customers are allowed, *for example, 24 times* this amount in credit. Customers agree to pay off a certain amount each month—but there is *nothing to stop customers* paying off the whole amount.

With most cards interest is charged on a fixed date each *month on the amount owed at the time.* With a few cards the monthly interest is worked out on the amount owed each day.

Marks and Spenced operates *a different credit* system in that, instead of signing a sales voucher when using a credit card, the customer has to write *out a cheque from a special* cheque book which has cheques already made payable to Marks and Spencer. Customers receive an identity card which is used when making a purchase, in the same way as a cheque guarantee card is used.

The importance of the expansion of credit facilities by retailers — and one of the main reasons for the speed of their introduction this year — is that *they can help mitigate any fall* in consumer demand as disposable income is cut by the pending economic recession. *Retailers have flirted* for some years with the traditional credit cards, such as Access and Barclaycard, but have held back *from wholeheartedly embracing* them because of a reluctance to pay the commission charged to the store by the card com*panies on every transaction.* In addition, the fact that general credit cards do not exclusively link the cardholder to a particu*lar store.* (*Conversely, this is* one of the prime attractions of general credit cards to many shoppers.)

The *importance* of credit cards in consumers' spending patterns was shown by figures produced by the AGB research company. These show that in the few days between this year's announcement of higher VAT rates and the implementation of these new rates in the shops, it was the credit card holders who were able to take advantage of the position to buy goods on credit at the lower VAT prices.

AGB says that between June 13 and 17, expenditures by credit card and retail store account holders were more than twice what would be expected if the buying patterns had been normal.

The major credit card companies were aware of this dilemma facing retailers, in that they did not want to wholeheartedly embrace traditional credit cards, but at the same time saw the need for extra credit facilities to bolster sales during a recession.

The credit card companies—and other financial organisations—realised that the market potential lay in providing the operational expertise for retailers' own credit cards. Companies that already operated credit cards could offer a lower cost (because overheads could be more widely spread) than retailers who operated their own scheme. One of the drawbacks of previous self-financed in-store credit schemes—such as operated by department stores—was that they were expensive to operate, since they tied up working capital.

The impact of credit card facilities becoming widely available at an economic cost was felt in three main ways. First, it led to their introduction in retail operations such as Woolworths which were traditionaly regarded as down-market retail outlets.

Second, it enabled small retail chains—such as the Snob *womenswear chain*—to offer its own credit facilities.

And, third, it helped persuade the supermarket groups to allow the use of credit cards for the purchase of food and drink. Previously, the supermarket chains had steadfastly maintained that it would be a mistake to allow food and drink to be bought on credit on the basis that once these were consumed, there was nothing for the credit company to repossess if payment were withheld.

However, the experience over years of operation by the big credit card companies about the incidence of bad debts finally overcame such objections. It was found from experience that the type of purchase was not directly related to bad debts.

Companies providing retailers' credit schemes fall into two main groups: the clearing banks or *their offshoots*, and financial institutions.

Barclaycare was set up just over a year ago as the retail credit arm of Barclaycard. Barclaycare has some 25 schemes in operation at the moment, ranging from the menswear chain Dunn and Co., through to Habitat and International Stores.

Access, unlike Barclaycard, does not have a direct offshoot responsible for retailers' credit cards. Instead, each of the major banks which jointly own Access are able to negotiate with retailers to provide credit facilities, which are then actually implemented through the Access facilities.

Apart from the clearing banks, other companies involved in the provision of retail credit facilities include the Bradford-based Unicredit Finance, a subsidiary of the Provident Financial Group. The Woolworth's credit card scheme is one of Unicredit's major clients.

Citibank Trust operates the Marks and Spencer credit scheme.

David Churchill

Electronic check-out system: an IBM 3653 point-of-sale terminal in use at British Home Stores, Wood Green, London

UK store thefts top £700m a year

THE RETAIL trade has, for some time now, begun to look more seriously at the problem euphemistically described as "shrinkage"—but more accurately known as theft—either by staff or customers. The impetus to deal with this problem has not arisen from any surge of moral rectitude, however, but from the harsh commercial reality that retailers can no longer afford to lose between 2 to 3 per cent of their turnover every year because of theft.

The pressure on retailers' operating costs during the past two years seems certain to intensify in the difficult trading times ahead and, with consumer demand likely to be hit by the economic recession, retailers will find it increasingly dif*ficult to pass on the costs of* theft to customers in the form of higher prices.

Estimates suggest that the overall *loss to retailers from* staff and customer theft at more than £700m, although many within the trade acknowledge *that the true figure could be* more than twice that amount. Retailers declare that the losses represent the equivalent of a *Great Train Robbery every 36* hours.

Put another way, two to three per cent "theft tax"—as much as grocery retailers, *for example*, earn in net profit margins—is paid by honest customers in the form of higher prices.

Home Office *figures suggest* that for every £1 "lost" by a retailer, about 30p is genuine wastage, 30p is through shoplifting, and the rest through staff theft.

Last year, some 203,643 shoplifting offences were reported to the police—a fall of some 6.5 per cent over the previous year—yet many shoplifters are not caught and many more cases go unreported. Although many retailers in the past have paid lip service to the concept of pre*venting shoplifting*, there seems little doubt that the growth of self-service methods and other marketing techniques have made *shoplifting easier.*

Putting umbrellas next to the door on a rainy day because that is where they "sell best" *is perhaps good sales practice*—but poor security. Yet theft losses have to be quite high to persuade the retailer to move the display to a more secure place.

The growth in the size of store groups and multiple chains has also enabled shoplifters to rationalise their crime by con*sidering* the theft as being against a large, impersonal company, rather than against an individual.

Many retailers, moreover, have been reluctant to prosecute in every case of theft because of the amount of management time that can be lost in attend*ing a court case, or because of* the bad publicity attached to prosecuting children or old age pensioners. But theft by child*ren and young people* is the fastest growing crime area for retailers.

A Home Office report on shoplifting notes that few shoplifters will bother with devices such as concealed pockets and false-bottomed shopping bags, which tend to hit the headlines when exposed. Most rely, however, on working quickly, using a moment's inattention by staff to allow them to slip an article into a pocket or open bag.

One of the leading security organisations, Group Four, has estimated that about one in every 50 people going into a supermarket will steal, on average, £1.80 every time. In a department store, one in a 100 *will steal £4 on average.*

Since retailers are most unlikely to forsake modern marketing techniques solely in the interests of security, a balance has to be struck between allowing honest customers to buy goods as cheaply and conveniently as possible—and also avoiding the encouragement of crime.

The biggest deterrent to shoplifting is simply being seen. Shops whose staff are alert to the practice are the sort of shop that shoplifters tend to avoid. Staff training is thus an important part of the measures that can be taken—as is total management commitment to reducing shoplifting. Technical devices such as television monitors and convex mirrors can also make a big contribution to cutting down thefts, as several store groups have proved.

Although the actual number of thefts by staff reported to the police rose by only just over 3 per cent last year to 32,175—compared with the [illegible] shoplifting cases reported — the amounts lost by staff pilfering are proportionately much higher. The average value of employee theft is £827, whereas the average overall for shoplifting is only £19.

The favourite target for dishonest staff, according to the Home Office report, is the cash register with under-ringing the most frequently used technique.

A number of major retailers, including Marks and Spencer, came together in 1977 to form the Association for the Prevention of Theft in Shops which acts as a pressure group to *educate retailers and the public* about the consequences of the growth in shop thefts.

Baroness Phillips, the Association's director, says: "Our objectives will have been achieved when, and if, it is acknowledged in a changed climate of opinion that theft by either customers or staff is wrong on moral and economic grounds."

To help achieve the change in opinion, the association is lobbying educationalists, youth groups, trade unions, the churches, media, and social services. *It is also co-operating* with embassies, high commissions, and tourist Boards to ensure that overseas visitors to *Britain are made fully aware of* the UK retailing system and the penalties for theft. Tourists, who form a high proportion of shop*lifters in the summer months,* often claim to be confused and overwhelmed by the temptation offered by self-service selections.

The association's other chief role is to organise retailers to co-operate more with one another and to keep them informed of new anti-theft devices. Greater co-operation among retailers in guarding against groups of professional shoplifters, and "blitzes" in certain areas where police and security staff mount extensive campaigns against theft, have achieved significant success in some areas.

The big test, however, of the effectiveness of the new, tough approach to store theft will come during the next few weeks as stores become crowded in *the traditional* pre-Christmas spending spree.

D.C.

Electronic revolution in the High Street

WHILE MUCH attention within the retail trade has recently been focused on the imminent introduction of laser-scanning electronic check-outs in the grocery retailing sector, the development of sophisticated *electronic technology* is also having widespread repercussions throughout the whole retail sector.

The potential benefits to be achieved from the new technology has, in fact, led to sug*gestions that the introduction* of new electronic checkouts will do more than just offer a more *efficient form of traditional tills;* it is argued that the degree of management information and stock control that can be achieved with the use of electronic equipment will be as great a revolution in the High Street as the introduction of self-service marketing techniques in the 1950s and 1960s.

The new systems have the potential to completely change the face of retailing management, enabling stock control procedures to incorporate at least daily — if not more frequent — stock level reports. Armed with such up-to-the-minute information, the store's management will be able to respond to sudden surges in demand for particular products, or identify areas where sales are weakest and not earning enough.

The pending electronic check-out revolution in the High Street will also be helped by retailers' need to replace the checkout systems they introduced for decimalisation in 1971.

There are basically three levels of sophistication in the new computerised electronic systems available to retailers.

First, there are the electronic units that perform almost exactly the same work as the electro-mechanical units they are due to replace. The manufacturer has simply replaced the internal, electro-mechanical components with modern electronic ones. *Prices, therefore,* can vary enormously according to whether the unit is needed to serve only a few customers a *day, or needs to stand up to the* pounding received at a busy supermarket checkout.

At a more sophisticated level are the so-called "stand alone data capture units." These perform all the normal functions of a cash register, but also record information about sales on an internal magnetic tape casette which can be removed at the end of each day, or once a *week, and taken away for com*puter processing.

At the top-end of the market are the fully computer-controlled systems which incorporate laser-scanning. These have electronic units at each checkout controlled by mini-computer in *the store or, in some cases,* by a remote computer connected to the store by a telecommunications link. Such systems are con*siderably more flexible* and have many more facilities than the stand-alone units.

Numerous benefits of the new electronic *cash registers are* claimed by manufacturers, retailers, and trade specialists. These benefits include ease of *operation, fewer errors, greater* security features, more flexibility, easier maintenance, and modern styling.

Potential

But it is in the field of stock *control* that many companies see the greatest potential, especially in grocery retailing. The problems of ensuring that *sufficient stocks are available in* a large supermarket—and keeping track of what happens to stocks within a store—probably represents the greatest headache for supermarket management. The laser-scanning system allied to a computerised electronic checkout enables complete and accurate stock information to be readily available.

The laser-scanning system involves a low-power laser beam reading a "bar code" printed on the label of a grocery product. This "bar code"—a series of short lines of varying thickness—represents a unique 13-digit number given to each product by a central body, the Article Number Association.

At the cash desk, the cashier passes each item over the scanner built into the checkout which reads the bar-code and then transmits the information to the in-store computer. The current price of the item in that store is then fed back by the computer to the checkout where it, and a description of the item, appears on a visual display panel next to the cash register.

Simultaneously, the information is listed automatically on to the till receipt, which prints both the name of the item and *the price and thus enables* the shopper to see exactly what each item cost.

The first operation laser-scanning system was launched last month at the Key Markets superstore at Spalding in Lin*colnshire. Tesco,* J. Sainsbury, International Stores, and others all plan to launch similar operational systems early next year, although widespread implementation is still likely to take two to three years.

In the non-food retailing sector, a number of major stores groups are planning the introduction of sophisticated electronic checkouts. British Home Stores, for example, recently placed an order for 2,000 IBM electronic checkouts following the success of a trial system at BHS's Wood Green store in North London. Sir Jack Callard, BHS chairman, said in the company's last annual report that introduction of the new equipment was "*a prime feature in the future development* of the business."

IBM has emerged as one of the *main suppliers of the new* electronic systems for use in retail outlets. It has three main systems on offer: the 3650 *retail system; the 3660 super*market system; and its new 5260 retail system. The 3650 system, for example, consists of a point-*of-sale terminal*, a *merchandise* ticket encoder, a visual display-based purchase order/receiving terminal, and a powerful controller that links the shop's retail system with a main computer.

Although the High Street revolution promised by electronic technology now looks increasingly imminent, it has taken a long time to finally arrive. The potential benefits of electronic, computerised store control were first mooted in the 1950s and some experimental installations were operating in *the U.S. in the 1960s. But the* technology developments in the 1970s have laid the way for the full implementation of the *electronic revolution during the* next decade.

D.C.

Prospects in the 1980s for major sectors of the retailing industry are highlighted here and on the following page:

Superstore battle ahead

FOOD SECTOR

ALTHOUGH THE recent prolonged ITV dispute robbed grocery retailers of their normal quota of television advertising in launching their traditional autumn promotional campaigns, more than one food retailer probably expressed a sigh of relief at the blank television screens.

The dispute meant that any renewed attempt by Tesco, J. Sainsbury, or one of the other leading multiples to spark off another round of extensive price-cutting, with the full glare of publicity, was strictly limited.

But, paradoxically, the absence of television advertising meant that retailers had some of the extra resources needed to finance a new price war if they had wanted. Some, like Tesco, decided to use the money "saved" by the lack of television advertising to reduce prices on non-food items such as clothing, whose sales had slumped in the summer and early autumn. Tesco says it allocated £1m that would have gone into television advertising to cut prices in this way.

The fact that no serious attempt was made to start a new food price war shows how far the hostilities of the past few years are now largely held in check.

These hostilities broke out in 1977 when Tesco decided to make a major attempt to boost its sales volume by cutting prices. The theory was that by cutting prices (and profit margins, as well), the stores could generate sufficient extra volume sales in the short term to at least cover the lost profits. But, in the longer term, if the extra volume can be maintained after the initial price-cutting offensive, then a return to more realistic prices and profit margins will mean substantially higher profits.

Tesco, and to a large extent J. Sainsbury, have both been extremely successful in pursuing this strategy during the past two years. The other major multiples have been forced to follow suit and had to compete fiercely merely to hold their market share. The losers, therefore, have been the smaller multiple chains and the numerous small grocery stores.

Sales

With their higher volume sales, Tesco and Sainsbury have been able to maintain their grip on the market and prevent any significant counter-offensives being fought. Tesco and Sainsbury can afford to keep prices and margins at a low level since they have the volume sales to make it pay. Their rivals, without the same sales volume, find their margins and profitability under increasing pressure.

In addition, even if a major multiple could afford another price-cutting operation at present, it is doubtful if it would have the same effect as the Sainsbury or Tesco campaigns. However gullible some supermarket chiefs may expect the public to be, there is a limit to housewives' willingness to believe every claim that the local store is "the cheapest shop around."

While prices will continue to remain competitive in the early 1980s, the real issue over which the continuing High Street war will be fought will be the battle for superstore development. The major multiples may not be able to launch another price-cutting offensive in the short term but, in the longer term, they can achieve the same result by boosting volume through the expansion of store selling space.

The significance of the superstores to the multiples was shown by the fact that last year saw a rapid spate of openings of superstores.

Yet, in spite of the seemingly inexorable trend towards large store developments, there seems likely to be a place for the small corner-store type of grocery retailer in the next decade. Many retail experts expect that these stores will survive by charging higher prices for the convenience they offer of local shopping and being open later. In the U.S. such stores are one of the fastest growing sectors of the retail trade.

However, the losers in the UK will be the small scale supermarkets which can offer neither the volume sales to be profitable nor the convenience of the corner shop.

David Churchill

A £5m development, opening today—Allders' first purpose-built, free-standing department store in Chatham High Street.

Fairly flat outlook

THE MULTIPLES

MANAGERS OF the high street multiple chains, peering into crystal balls in an attempt to predict next year's trading environment are unlikely to find anything to make them rush out and spend their latest tax rebates on champagne—assuming, that is, their crystal balls are revealing a similar picture to some of the City's top retailing analysts.

A straw poll of stockbrokers, Kemp Gee, L. Messel and Capel-Cure Myers reveals a fairly flat outlook for the major chains.

The level of consumer spending is obviously of paramount importance to prospects. All the brokers agree that sales volume is unlikely to show any growth in 1980. Undoubtedly there will be monthly variations, in particular the first quarter should look good against last year's snow-bound, strike-bound high streets.

Price inflation, on the other hand, could be running around 16 per cent or so which is not bad news as far as the retailers are concerned. But cost inflation could more than eat into sales growth and after rising rents, rates and wages take their bite the average rate of profits growth in the high street is likely to be little more than 10 per cent in 1980-81 (many of the companies' financial years start around February/March).

While this is a wide generalisation, the larger the retail chain the harder it is for the group to effectively buck the overall trend. So the outlook for the multiples appears to be uninspiring.

In the short term a reasonably good Christmas trading period looks probable, depending on how much of the tax rebate finds its way to the retailer and how much to the Post Office telephone account.

The other important factor is the long-term effect of the recent Marks and Spencer price cuts. At the end of August M & S announced that it was cutting £11m off prices—its first major campaign since the early 'sixties. Admittedly, M & S has plenty of muscle and it does not hesitate in using it. Around £4m of the cuts will be financed at the expense of its suppliers.

The scaremongers warned that that it was the start of a price war comparable to the Tesco-inspired battle in the food sector of a couple of years ago. Will others retaliate in the New Year? Probably not, but no doubt the various management camps will be keeping a wary eye on the opposition, and specific campaigns during the course of the next 12 months cannot be ruled out.

Across the street, BHS is still sorting itself out after the effects of one price war—the supermarket battle which hit the company's food retailing operations that accounted for a quarter of sales. BHS has restructured its food departments in a move away from the "fresh food, counter service image," and has closed some of its smaller food operations.

Replacing food sales area with higher margin non-food items has enabled BHS to regain some of its momentum as recent profit figures show. BHS made the M & S improvement look definitely pedestrian but, though tempting, it is not fair to compare the two groups.

The phasing-out of food operations has also been one of the driving forces behind F. W. Woolworth's buoyant profits performance. The move towards clothing is encouraging and by the end of its current financial year (January 31) could account for a tenth of sales.

Doubts

Yet, even though the company has made considerable efforts to change its image — store modernisation and a wider product range — there always appear to be nagging doubts. For example, in the quarter covering the pre-budget spending boom, sales increased by just 7.40 per cent. Nevertheless, "Woolies" now seems less vulnerable to any pressures on the sector which may come in 1980.

In another area—Boots—is radically different from all the other multiples mentioned here, in that it has a very significant industrial division accounting for some two-fifths of profits.

On the retailing side, Boots will no doubt be continuing its policy of a shift towards larger stores. It is expected to double its expansion of new selling area to 6 per cent this year. Yet Boots is a "mature" business and, as such, is open to competition from newcomers, while its expansion into larger units selling records, hi-fi and a large range of photographic equipment, is taking it into highly competitive areas which could create more problems for the company.

Terry Garrett

Move to recover lost ground

THE CO-OPERATIVES

THE CO-OPERATIVE retail societies represent not only the biggest retailing organisation in Britain—with total sales last year in excess of £3bn—but also one of the retail sectors with some of the biggest problems.

The co-ops share of total retail sales has slipped back from 7.1 per cent three years ago to 6.8 per cent last year. Although similar declines have in the past been reversed by the co-ops, there is a growing feeling within the movement that retail societies will find it difficult to recover lost ground in the tougher trading conditions likely in the early part of the next decade.

The degree of concern now being shown within the movement itself is reflected in the current top-level talks about the formation of a national co-op trading organisation, to be called "Co-op Great Britain." But even those who acknowledge the need for change within the movement give this latest reorganisation scheme little chance of coming about.

The co-op's main weakness—its lack of a central retailing organisation—is also, paradoxically, one of its main strengths. The co-op movement was created and developed very much along the lines of being a retail movement at local level. The co-op still has some 10.6m customer-members who own and belong to the 201 retail societies throughout the UK.

This customer involvement is reflected in the co-op's current advertising theme — "Your caring, sharing co-op!" The movement is rightly proud of its tradition of providing a service to all types of consumer—hence its retailing activities ranging from the smallest corner shop to the largest superstore. But it is difficult to reconcile the practice of 201 fiercely independent retail societies, each free to pursue its own retailing strategy, with the reality of the fierce competition in the High Street.

Independence

Symptomatic of the individual societies' independence is that fact that the retail societies only buy about two-thirds of their supplies from the Co-operative Wholesale Society, the manufacturing and wholesaling organisation set up and owned by the societies to provide their supplies.

It is rather as though each Tesco or Sainsbury store was able to buy supplies from whomever it liked and then pursue its own trading policy!

One of the basic problems of such a massive organisation as the Co-op (which in the past has been relatively successful) is how to adapt to the changing retail world. In the past, the lack of nationally organised aggressive competition meant that the inherent inefficiencies in the co-op's structure were not exposed. But during the past decade, the co-ops have faced stiff competition in every retailing area.

In food retailing, for example, the co-ops have, at around 18 per cent, the largest share of the packaged grocery market. But this share has been gradually declining during the past two years of fierce price competition. During this time, Tesco's market share has jumped from 8 to 14 per cent. Some market analysts expect that within the next two years the unthinkable will happen and Tesco could overtake the co-op, in terms of market share.

To its credit, the co-ops have tried to fight back with a massive superstore development programme. But even though it is now the second largest superstore operator in the country, this expansion in store size is still insufficient to compensate for the many thousands of small uneconomic stores the societies are reluctant to close down. Many societies argue that they have a duty to their customers to continue to provide small shops as well as large.

But this policy has meant a drain on the movement's financial resources, so that the money set aside for capital investment has failed to keep pace with the necessary level of expenditure.

The dilemma remains, therefore, for the co-ops: how to reconcile commercialism with co-operation?

D.C.

A boom sector—but for how long?

FOOTWEAR

UNLIKE THE manufacturing sector, which has been squeezed by high costs and acute overseas competition, footwear retailing in the UK has been experiencing boom times over the past year or so.

The sector has probably benefited more than any other from the high level of consumer spending, although there are signs now that demand has peaked—and could slump dramatically.

Buoyant

But the pattern to date has been distinctly buoyant. Traditionally, the British public has bought fewer shoes than their industrial neighbours—two pairs a year for men and five or six pairs a year for women.

This has shown a marked improvement, thanks to increasing affluence and changing fashions. Apart from buying more leisure shoes, the public are generally trading up, notably in favour of leather uppers.

There has also been a noticeable increase in the sales of children's shoes as more parents become aware of the campaigns on health education, while more people are choosing to replace footwear rather than repair them.

This has combined to give an increase in retail sales of a fifth over the past 12 months, with sales volume showing a gain of roughly a tenth.

According to the British Footwear Manufacturers' Federation, the lion's share of the increase has gone to the multiples where sales have jumped by almost a quarter. The independents have registered a near-16 per cent increase, while shoe sales through the co-operatives have risen by almost a tenth.

One of the most important events in the industry during the past 18 months was the Price Commission's report, in 1978, asking retailers to cut their trading margins. This was done on a voluntary basis, but the effect on retail sales was only marginal.

Of greater importance has been the sharp rise in leather prices. Over the 12 months to August, these have jumped by roughly 57 per cent, rises which must eventually filter through to the customer.

This and the VAT increases causes many observers to be apprehensive about the future, caution which is echoed by Mr. Nicholas Calvert of the BFMA.

He believes that while tax rebates might give a short-term fillip, the immediate future is also clouded by telephone bill arrears and the proposed increase in mortgages from January.

While volume will obviously suffer, it is not yet certain whether this will outweigh the effect on sales of a higher inflation rate. August sales, according to BFMF statistics, show a near 10 per cent drop over the previous month.

Certainly, any consumer resistance will have to be countered by cuts in retail prices and this will put pressure on profit margins. After two good years of trading, the footwear retailing sector looks as if it is entering a difficult period.

Arnold Kransdorff

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Still confident despite vulnerable position

DEPARTMENT STORES

DEPARTMENT STORES, which are traditionally vulnerable to economic recession and high inflation, are battening down the hatches to prepare for the expected stormy trading weather ahead.

Selfridge's, for example, recently made clear its intention of pulling out of its direct selling mail order business — a sector that was clearly becoming overcrowded and therefore uneconomic—to concentrate all its management resources on maintaining its sales volume in the early 1980s.

All the department store groups are determined to ensure that the hard-fought campaigns of the 1970s—when the decline of the previous two decades was halted and the mid-seventies economic recession overcome—are not wasted.

It was in the two decades up to the early 'seventies that the department stores—traditionally the flagship of British retailing —finally looked as if they might finally fulfil the predictions and become an outmoded form of retailing. But the sheer trading bulk of the 800 or so department stores scattered throughout Britain enabled the sector to hold on and begin to fight back in the early 'seventies.

The recovery in the fortunes of the department stores sector was not achieved by any radical retailing formula but by the application of modern retailing techniques to a sector that had traditionally spurned such methods. Thus, the department stores tightened up on their management controls and reburnished their market image. Central buying was strengthened to ensure that the largest discounts were obtained, thus enabling price competition to take place with the more aggressively price-cutting multiples.

At the same time, the large number of lines stocked by department stores were reduced, without losing their traditional advantage of wider stocks than that carried by smaller retail outlets.

The department stores also extended their product ranges in some areas, such as sports and leisure goods and children's clothes, at the expense of traditional areas, such as haberdashery, which were in decline. The stores also invested heavily in improving their image by modernisation, introducing more self-service, and generally brightening-up the trading areas. Other stores have introduced own-label lines to improve customer loyalty.

Result

The result of all this activity was that, by 1973, the department stores were enjoying their highest penetration of the total retail market for more than 20 years, with a 5.1 per cent market share compared with 4.6 per cent in the mid-sixties.

However, the department stores were then caught by the mid-1970s recession and price inflation—which caused consumers to trade down to more obvious discount-type stores. Thus, department stores' market share slipped back to 4.9 per cent in 1976, from which it did not recover until the improved trading conditions last year to reach 5 per cent.

The high degree of concentration, which has been a marked characteristic of the department store sector since the war, has continued. The largest five groups now account for about three-quarters of the trade, compared with 65 per cent in 1970.

The leading department stores group is the House of Fraser, with about 29 per cent of the sector's turnover, followed by the Debenhams group, with 19 per cent, and the John Lewis Partnership with 14 per cent.

Although the market prospects for department stores are far from rosy if the expected slump in consumer demand materialises, most sector analysts are confident that the majority of stores are now in a stronger position to withstand the increasingly tough trading conditions.

D.C.

VALUE OF RETAIL TRADE BY DIFFERENT OUTLETS (1974-1978)

(£m)

	Total retail trade	Food	Clothing and footwear	Durable goods	Other non-foods	Mail order	Department stores
1974	23,910	9,950	3,605	2,730	5,330	1,135	1,160
1975	28,430	12,015	4,165	3,185	6,360	1,325	1,380
1976	33,610	14,060	4,605	3,550	7,275	1,515	1,605
1977	37,135	16,115	5,260	3,910	8,230	1,805	1,815
1978	42,380	17,975	6,210	4,625	9,355	2,115	2,100

Source: The Economist Intelligence Unit based on Department of Industry indices and the 1971 Census of Distribution.

Good scope for growth

MAIL ORDER

AFTER A bright first half to the year, the mail order sector's growth has been inhibited both by the pre-Budget buying boom —which largely favoured High Street retailers — and by the effect of the tax changes in the Budget, which favoured the higher-paid groups which, traditionally, are not strong mail order customers.

Despite this—and the problems caused by the various Post Office industrial disputes this year—the mail order sector is expected to perform better in total this year than the non-food sector as a whole.

The mail order sector accounts for some 5 per cent of total retail sales, compared with 3.8 per cent in 1971. It also now accounts for 8.7 per cent of non-food retail sales, compared with 7.1 per cent in 1971. Mail order companies had a total turnover of £2.1bn last year, a 17 per cent increase over 1977.

However, this growth rate was less marked than in previous years, reflecting the less buoyant disposable income of the typical mail order customers.

Campaigns

Yet, those market analysts who predict that the days of go-go growth for mail-order companies are now over, as a result of changing retail patterns, such as discount stores, as well as there being little growth left in the traditional market of northern, working-class housewives, are still probably being unduly pessimistic.

Stockbrokers Phillips and Drew, for example, remain convinced that "there still seems scope for the sector to increase market share." It is suggested that recent recruitment campaigns by the various mail-order companies have produced significant increases in agency strength.

"Even allowing for the growing number of dual agents, currently running at a third of all agents, the sector is clearly attracting new customers," say the brokers.

The emphasis on mail order's traditional credit facilities, and the convenience of mail-order shopping, remain strong attractions. In addition, the continuing improvements in various aspects of the mail-order operations — such as catalogue presentation and speed of service — obviously improve the sector's position.

However, the mail-order sector does face a potential problem in the shape of any increased unemployment as a result of economic recession.

The impact of the Budget also shows the way in which the sector's fortunes can be hampered or helped by political moves. The switch from direct to indirect taxation in the Budget resulted in a redistribution of disposable income in favour of the higher-paid groups. The tax rebates received in October pay packets, therefore, probably had a greater impact on High Street spending than on mail order.

Moreover, as the new higher VAT prices were announced after the autumn/winter catalogues had been printed, the mail order companies have been forced to issue additional price lists with the catalogues.

"This constant reminder of the price increases could well be a deterrent to customers, while it will also be more difficult for the mail-order companies to load the price increases in such a way as to maintain the prices on key lines," point out Phillips and Drew.

D.C.

The demand remains strong

CONSUMER DURABLES

CONSUMER DURABLE retailers are still trying to recover from the massive pre-Budget buying spree last summer when stocks of durables, such as colour televisions, fridges, and freezers, were snapped up by an eager public, keen to beat any swingeing VAT increase.

In fact, since most electrical durables were already carrying VAT at the higher rate of 12.5 per cent, consumers were actually making the least savings in buying durables rather than other goods which were carrying the lower VAT rates.

However, the pre-Budget spending spree reflects the strength of demand for durables over the past 18 months during the peak period of the consumer boom.

This was in contrast to the previous four years when volume growth in durables was very low in line with the overall economic recession. In 1978 durable goods retailers had combined sales of more than £2.8bn which represented a rise of almost a fifth on the previous year—the highest sales growth rate ever for the durable sector. But, more encouragingly for the trade, was the increase in volume growth last year after years of static volume sales.

In contrast to the last major boom within the sector in 1972-1973, there was little benefit from the introduction of new products, with the surge in sales coming, therefore, from the build up in replacement demand after the prolonged squeeze on living standards.

However, the contribution from new products is likely to become increasingly important to the sector during the next few years. Leading retailers are making a significant marketing effort to promote the new generation of sophisticated video hardware, such as video games and cassette recorders. Growth in demand for these new products should help to offset any slow-down in replacement demand.

Specialist, electrical durable goods' retailers have faced stiff competition during the past 18 months from non-specialist outlets such as Tesco, Asda, and Woolworths which have all captured an increasing share of the market, although still accounting for a smaller proportion than the specialist shops. But as growth in the sector slows down, and new products become more important, it seems likely that this will favour the specialist stores who are increasing their marketing activities for new products.

Expansion

Within the specialist sector, the multiple chains have been increasing their share of the market at the expense of the independents. As the multiples only account for some 40 per cent of total sales through specialist shops, there is substantial room for further expansion.

The largest multiple is the Currys chain, followed by Comet, Rumbelows, and Trident.

In the immediate future, the Economist Intelligence Unit has forecast that turnover increases will be cut back quite sharply for all the various sub-sectors of the industry, except for television rental specialists "who have been faring relatively less well recently for particular reasons, including partly artificial price restraint and competition," says the EIU.

But the EIU adds that "feeling freed from moral obligations to restrain price rises and facing a downturn in market buoyancy, the rental specialists can be expected to respond with price increases so that turnover might be expected to rise of the order of 15 per cent for the year to around £1.2bn."

Significantly, Currys has recently announced plans for its own entry into the television rental market.

D.C.

Hopes for better trading

CLOTHING

CLOTHING RETAILERS, like everyone else in the High Street, are affected by the level of consumer spending, but no other segment of retail trade, except perhaps footwear, is so vulnerable to changes of fashion and the vagaries of the weather.

This year has certainly proved the point, and before looking forward to 1980, with all the likely pressures for the retail sector, a retrospective appraisal must be made of 1979. The clothing retailers will be comparing next year's results with a particularly difficult period and many seem to be reasonably confident.

The weather has been one of the big problems in 1979. The spring was too cold and fashion lines did not move at all well. And besides the weather problem, the clothing sector had to face the Government's VAT hike. In anticipation of the increases, consumer spending shot up ahead of the higher rates, but the clothing secfor saw little of this bonanza. The public was out buying "big ticket" items — it was the durable retailers who had the fun.

This diversion of spending away from clothes also left a big vacuum in the summer, when the public had little spare cash to go out and spend on new clothes. The fashion end of the trade was particularly hit, and by the end of the season many retailers were left overstocked and dramatic "mark downs" were needed to move lines, with an obvious depressing impact on profits.

Finally, an Indian summer hit sales of autumn/winter clothing, rounding off a pretty poor year.

That is now history, but for all we know the weather and the traditional sales periods for clothing could be out of phase again next year. No matter how hard the retailers try to buy to match demand with projected sales, the fashion trade is always something of a gamble.

Those who have been hardest hit in 1979 should logically fare much better next year, assuming a normal pattern. Chains such as Harry Fenton (part of Combined English Stores), Lord John and Lady at Lord John (part of Raybeck) and Miss Selfridge (part of Sears) which have been riding a rough patch, should see better trading.

The more stable areas of clothing sales, such as those enjoyed by the multiples, Marks and Spencer, British Home Stores and Littlewoods, have had a much better year, but by the same token the prospects for growth in 1980 are more restricted.

Pressure

On the menswear front, both Burton and Hepworth are better placed to face any pressure on the market than they were in the early seventies. Structural problems, in particular those of Burton, have been overcome to a great extent.

Burton has changed its image dramatically in recent years by widening its appeal to younger buyers and more casual clothes. It is the company's conviction that men—not just young men—are generally becoming more fashion conscious and requiring a greater range of clothes.

Burton has also expanded significantly into ladies clothing. At the beginning of September it bought the Dorothy Perkins chain of fashion stores which roughly means that the group is equally represented in both ladies' and men's clothing in terms of sales. As the company brings Dorothy Perkins into the group there will be benefits which should leave the company reasonably well-placed next year.

As for the West End, that has been particularly hard-hit because of the lower level of tourist spending. Next year should see some revival in the fortunes for West End clothing retailers, in line with much of the fashion end of the trade —but, unless sterling collapses, a modest rate of growth (rather than the boom conditions of a couple of years ago) look to be the order of the day.

T.G.

INTL. COMPANIES and FINANCE

Increased profit from Munich Re

By Jonathan Carr in Bonn

MUNICH RE, which claims to be the world's largest reinsurance enterprise, raised net profit to DM 55m ($30.6m) in the year ended June 30, compared with DM 47m, a gain of 17 per cent. The company proposes to pay an unchanged dividend of 18 per cent on eligible capital raised by DM 42m to DM 147m—and is confident that the dividend will be maintained in the current year.

While premium income increased last year by 7.7 per cent to DM 6.1bn, profits from the reinsurance business alone fell to about DM 22m from DM 35m a year earlier. The decline was due to difficulties in domestic business—notably in the fire and transport insurance sectors while foreign results improved. The lion's share of the group's profits—DM 104m compared with DM 42m a year earlier—came not from reinsurance but from so-called "general business," that is primarily investment income.

The balance sheet value of the company's investments amounted to DM 9.5bn at June 30, compared with DM 5.8bn. A total of DM 71m is being added to reserves.

Ricoh lifts earnings

By Our Tokyo Correspondent

RICOH COMPANY, a leading maker of plain paper copiers, increased net profits by 50.3 per cent in the half-year ended September 30, to Y5.59bn ($23.3m), despite a decline in exports related in part to renegotiations of overseas sales contracts.

Sales were up 9.7 per cent to Y10[illegible]5bn ($[illegible]m), but this is much lower than the growth rates of past years, in which the company expanded in the copier business both at home and abroad. Copier sales accounted for 63.7 per cent of all sales.

Overall exports were down 12.5 per cent and the share of total sales slipped to 29.4 per cent from 36.9 per cent last year. The company is changing its contracts with three major distributors which have exclusive rights in the U.S., Canada and parts of Europe.

For the full year ending next March, Ricoh expects that sales will rise 12.9 per cent to Y223bn, while net profits increase 48.2 per cent to Y11.5bn.

Norwegian engineer still in surplus

BY FAY GJESTER IN OSLO

NORWAY'S Aker shipbuilding and heavy engineering group achieved a small profit in the first eight months of this year despite the shipbuilding recession. More than half the group's capacity was employed in offshore contracting and industrial construction.

Profit before extraordinary items for the eight months are NKr 10.6m ($2.1m) compared with NKr 40.3m. Extraordinary items amounted to NKr 10m, down from NKr 40.2m a year earlier, so that the profit before tax and year end appropriations was NKr 600,000, compared with NKr 100,000. The remaining four months of 1979 are not expected to alter this picture, the group says.

A total of 11.9m man hours were worked by Aker employees in the period, compared with 11.5m a year earlier. Of the total, offshore contracting accounted for 33 per cent (22 per cent) and industrial and miscellaneous production for 21 per cent (19 per cent). Sales for the eight months were NKr 1.87bn, against NKr 1.9bn.

Work on platforms and other offshore constructions fell, however, to 14 per cent of the total, from 25 per cent a year earlier, and shipbuilding work to 18 per cent, from 24 per cent.

On future prospects, Aker says that overall capacity is booked until the summer of 1980, but some yards need new orders soon if redundancies are to be avoided. Construction work on the Ekofisk field and on the first platform for the Anglo-Norwegian Statfjord field, continues to occupy a good deal of the group's capacity, but these assignments are now nearly completed.

While major contracts can be expected eventually in connection with the exploitation of recent finds in Norway's part of the North Sea, the group is worried that there may be a gap in development work once present projects have been finished. It urges early decisions on the building of a third platform for the Statfjord field, and on development of fourth round blocks, such at 34/10 and 30/6.

At end August, Aker group employees numbered 11,487, compared with 11,568 on January 1.

New products boost sales at Japanese camera group

BY RICHARD HANSON IN TOKYO

NIPPON KOGAKU, the maker of Nikon cameras, has reported a 27.2 per cent rise in net profit for the half-year ended September 30, to Y1.85bn ($7.7m) with sales—boosted by the introduction of a new, highly automated camera—up 16 per cent to Y47bn ($196m).

In contrast Minolta Camera, a major competitor in the quality camera market, said that its net profit for the half was broadly unchanged at Y1.23bn on sales rising 2.1 per cent to Y43.12bn. The company's new models, launched last year, have lost much of their sales buoyancy and exports (81 per cent of sales) have not reflected the fall of the yen, an part because of slow sales in the U.S.

Nippon Kogaku's exports were up by 24.6 per cent, despite some signs of sluggishness in the North American market. Sales of its Nikon Em camera, introduced last spring, were particularly strong, however, in Europe, and especially in West Germany. The camera is competing well with similar highly automatic models made by other Japanese camera makers, which were quicker to introduce them. Monthly production has been doubled to 40,000 units.

About 70 per cent of Nippon Kogaku's camera sales (67.6 per cent of all sales) go to exports. Domestic sales expanded at the slower rate of 8.4 per cent, and the export share of all sales topped 50 per cent in the latest half, compared with 47 per cent last year.

Parent company sales for the full year, it is forecast, will be up 15.2 per cent to Y97bn, while net income is expected to gain 22 per cent to Y3.4bn.

Minolta, on the other hand, expects a 1.4 per cent decline in net profit to Y2.4bn, with sales up only 2.8 per cent to Y86bn.

Swiss Bank Corporation improving

By Our Financial Staff

SWISS BANK CORPORATION, one of the big three commercial banks in Switzerland, expects significantly improved results for 1979 following a rise of 15 per cent in revenue over the first nine months of the year.

Speaking at a Press conference in Zurich, chief executive Franz Schmitz, explained that although 1979 would not be a "boom year," overall net earnings would be higher than the SwFr 223m achieved in 1978 when a decline of 6 per cent was suffered.

Earlier this month a 15 per cent rise in net earnings for 1979 was forecast by the Union Bank of Switzerland, also one of the Swiss big three. UBS hinted at a higher dividend for the year and suggested that the improving trend of profits would continue into 1980.

The SBC conference was told that foreign credit business had picked up after a period of long stagnation. Loans to non-bank foreign customers rose by 42.5 per cent to SwFr 15.5m in the first nine months of this year, and for the first time exceeded loans to domestic clients. The bank had to curb loans to foreign customers in the third quarter, however.

Herr Schmitz said the bank will continue to expand its presence abroad, but only where it sees firm prospects for increasing its business. The volume of Eurodollar credits in the first nine months of 1979 was a record at SwFr 55bn.

At present the bank had no plans to raise fresh capital, but such a move in the spring of 1980 was not excluded.

Turning to interest rates, Herr Schmitz suggested that the Swiss national bank was trying to break the current rise in the cost of money. However, his view was that rates would rise by a further point before reaching a peak.

Potential profits for Newfoundland refiner

The Receiver of the bankrupt Come-by-Chance oil refinery of Newfoundland is satisfied that the refinery is potentially capable of operating on a profitable basis, writes our financial staff.

The Receiver is Peat Marwick and Co. Earlier this month an article in the Financial Times stated that the refinery, if re-started, might prove unprofitable.

PENDING DIVIDENDS

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year."

	Date	Announcement last year
*ANZ	Nov. 19	Final 11 cents
Airfix Inds.	Nov. 28	Int. 1.3719
Armitage Shanks	Dec. 6	Int. 2.01
Associated Communctns.	Dec. 14	Int. 3.1
*Associated Engineering	Dec. 13	Final 3.82
*Assoc. Dairies		Int. due
Avon Rubber	Nov. 28	Final 6.357
Baker Perkins	Dec. 7	Int. 2.1
Bass	Dec. 14	Final 4.5
*Beecham	Nov. 22	Int. 3.58
*BPB Inds.	Nov. 28	Int. 4.2
*Boots	Nov. 15	Int. 2.5
Borthwick (T.)	Dec. 12	Final 3.8
Brit. & Commwlth. Shipping	Nov. 16	Int. 4.75
*British Sugar	Nov. 13	Final 3.654
*Brockhouse	Nov. 22	Final 2.246
Brown (Matthew)	Nov. 27	Final 3.28
*Brown Shipley	Nov. 13	Int. 5.264
Capital and Counties	Nov. 23	Int. 0.7
Charter Cons.	Nov. 15	Int. 3.025
*Chloride	Nov. 14	Int. 1.6
*Chubb	Nov. 14	Int. 1.863
Compair	Dec. 13	Final 2.387
*Courtaulds	Nov. 22	Int. 2.688
Daily Mail & Gen. Tst.	Nov. 29	Int. 4.9
*Davis (Godfrey)	Nov. 14	Int. 1.162
*De La Rue	Nov. 13	Int. 3.908
Distillers	Dec. 14	Int. 3.0
Dobson Park Inds.	Dec. 12	Final 2.5
*Ferguson Ind.	Nov. 23	Int. 3.0
*French Kier	Nov. 22	Int. 0.825
Gen. Electric	Dec. 7	Int. 2.25
*Gt. Portland Estates	Nov. 19	Int. 1.0
GUS	Dec. 7	Int. 4.029
Guinness (A.)	Dec. 15	Final 6.22
Guthrie	Dec. 13	Int. 6.0
Hambros	Nov. 21	Int. 42.0
Hanson Trust	Dec. 5	Final 4.07
Hays Wharf	Nov. 23	Final 4.636
*Heath (C. E.)	Nov. 20	Int. 1.621
*Hill Samuel	Nov. 14	Int. 1.834
ICI	Dec. 14	Final 5.421
Initial Services	Dec. 15	Int. 1.5
Intl. Timber	Dec. 5	Int. 4.286
Johnson Matthey	Nov. 29	Int. 6.5
K Shoes	Dec. 8	Final 3.0
*Kwik Save	Nov. 21	Final 1.64
LRC Intl.	Dec. 13	Int. 0.695
*LWT	Nov. 15	Final 5.727
*Land Secs.	Nov. 15	Int. 1.5
Lloyds & Scottish	Dec. 14	Final 2.706
Lond. Mrchnt. Secs.	Dec. 13	Int. 0.336
MEPC	Dec. 14	Final 2.328
Marley	Dec. 14	Final 1.781
Meyer (Mntgue. L.)	Dec. 12	Int. 2.0
*Metal Box	Nov. 20	Int. 7.37
Mitchell Cotts	Dec. 7	Final 2.5
Norcros	Dec. 15	Int. 1.75
Pegler-Hattersley	Dec. 7	Int. 3.56
*Philips' Lamps	Nov. 13	Int. 0.60 Fl.
*Pilkington Bros.	Dec. 5	Int. 3.3
*Powell Duffryn	Nov. 22	Int. 3.9
*Prop. Hldg. Inv. Tst.	Dec. 18	Int. 3.0
*Racal Electronics	Dec. 6	Int. 1.9
RHM	Dec. 5	Final 1.968
*RHP	Dec. 10	Final 2.25
*Redland	Nov. 22	Int. 2.551
Renold	Nov. 23	Int. 2.7
*Rothmans Intntl.	Nov. 22	Int. 0.8
*Rothschild Inv. Tst.	Nov. 12	Int. 2.0
Royal Bk. of Scotland	Nov. 30	Final 1.585
600 Group	Nov. 30	Int. 2.035
Selection Tst.	Nov. 16	Sec. int. 5.0
Serck	Dec. 13	Final 4.334
*Smiths Inds.	Nov. 13	Int. 4.807
*Smith (W. H.)	Nov. 13	Int. 0.154
Stenhouse	Dec. 14	Final 2.7
Stockholders Inv. Tst.	Nov. 28	Final 1.35
Tesco	Nov. 22	Int. 0.789
Tunnel	Nov. 23	Int. 4.0
UKO Int.	Nov. 30	Int. 3.2
*Unilever	Nov. 14	Int. 5.2
Utd. Gas Ind.	Dec. 14	Int. 1.105
*Vaux. Brews.	Dec. 13	Final 3.54
Ward & Goldstone	Dec. 12	Int. 0.9
Wedgwood	Nov. 17	Int. 1.75
Whitecroft	Dec. 11	Int. 2.6
Wilkinson Match	Dec. 14	Int. 4.228
*Wolvrhmptn. & Dudley Brews.	Dec. 4	Final 4.55
Woodhead (Jonas)	Dec. 8	Int. 1.371

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley (0226 203232)	12¼	½-year	250	3-10
Bradford (0274 29577)	12½	½-year	500	2
Knowsley (051 548 6555)	12¾	½-year	1,000	1
Knowsley (051 548 6555)	13¾	½-year	1,000	5-7
Poole (02013 5151)	12¼	½-year	500	3-4
Poole (02013 5151)	12½	½-year	500	5
Poole (02013 5151)	13	½-year	500	6-7
Redbridge (01-478 3020)	12¼	½-year	200	4-5
Sandwell (021 569 2226)	12¾	½-year	1,000	6-7
Sefton (051 922 4040)	12¼	½-year	2,000	2-4
Wrekin (0952 505051)	13¼	maturity	5,000	1-6mths.

CORAL INDEX: Close 419-424 (+9)

INSURANCE BASE RATES

† Property Growth	13¼%
† Vanbrugh Guaranteed	13¼%

† Address shown under Insurance and Property Bond Table.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. p or Amount	Times Covered	Gross Yield	P.E. Ratio
■	F.P.	—	105	70	Fogarty (E.) Defd.	70	......	—	—	—	—
120	F.P.	28/11	175	155	Link House 20p.	157	+1	u7.0	1.7	6.4	13.4
—	F.P.	—	118	99	Rosehaugh 10p.	118	+2	—	—	—	—
R2	F.P.	—	131	120	†SASOL R1	129	+3	T16c	2.2	7.1	8.4
£55	F.P.	—	12	8½	Stewart Nairn	8½	−½	0.15	5.5	2.5	7.6
Fl.7.50	F.P.	—	285	232½	Vitatron N.V. Fl.0.25	275	......	bFl.045	2.5	3.8	11.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
■	£10	—	9	8½	Bristol Waterworks 8% Red. Pref. 1984	8½	......
■	F.P.	15/12	102	103	Cambridge Water 8% Red. Pref. 1984	101½	......
■	F.P.	29/11	102	100½	Eastbourne Waterworks 8% Red. Pref.	100¼	......
■	F.P.	25/11	105p	101p	Forminster 10%‡ Cum. Pref.	101p	......
$100	F.P.	—	$99	$96	Hill Samuel Floating Rate Notes 1922	$97½	......
98½	F.P.	16/11	99¼	95	London Trust 13%‡ Deb. Stk. 2000-04	95	−1
98½	—	8/11	99¾	93	Mucklow A. & J. 13½% 1st Mt. Db. 2000-05	93	−1¼
■	F.P.	9/11	106	101	Startrite Eng. 11% Cum. Pref.	101	−1½
■	F.P.	—	104	[illegible]	Wintrust 10½% Cum. Pref.	[illegible]	......

"RIGHTS" OFFERS

Issue Price p	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979 High	1979 Low	Stock	Closing price p	+ or −
A$4.55	Nil	—	—	320pm	246pm	BH Proprietary	275pm	+5
30	Nil	14/11	7/12	18pm	7pm	Cope Sportswear	11pm	+1
44	F.P.	7/11	30/11	8pm	62/44	Francis Inds.	44	......
93	F.P.	8/10	15/11	111½	92	Hepworth Ceramics	95½	+1½
65	F.P.	9/11	6/12	75	63	Ibstock Johnsen	63	......
$M1.5	Nil	—	—	20pm	9½pm	††Kulim	11pm	......
96	Nil	16/11	4/1	6pm	1pm	Laporte Inds.	1pm	......
40	Nil	15/11	4/1	5pm	1pm	M. Y. Dart	1½pm	......
57	Nil	—	—	6pm	2pm	Newman Tonks	2pm	......
45	F.P.	19/10	16/11	60	52	Wace Group	55pm	......
500	F.P.	—	—	500	573	Walter Duncan & Goodricke	573	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ [illegible] as units comprising 2 income shares and 10 Capital shares at 125p per unit. † Dealings under special rule.

Sir Eric Sachs left £134,190

SIR ERIC SACHS of Wadhurst, Sussex, a former Lord Justice of Appeal, who died on September 1, aged 81, left £164,393 gross, £134,190 net.

He left £4,000 to the Middle Temple Benefactors Fund, bequesting the income be used to institute a "Lord Justice Sachs Entrance Exhibition" to be awarded annually to an undergraduate or graduate of Christ Church, Oxford, who intends to practice at the Bar.

CURRENCIES, MONEY and GOLD

Bad news is good news

BY COLIN MILLHAM

Bad news is not always disastrous for a currency, as sterling and the dollar proved last week. Last week's UK banking figures indicated a rate of monetary growth much higher than expected, but the pound performed quite well on their announcement, while the dollar was also firm despite the news from Iran.

Sterling's strength was a reflection of the belief that measures would be taken to bring money supply growth back within official targets, including a rise in Bank of England Minimum Lending Rate.

The BP share issue made any increase in MLR unlikely last week, but a rise is still expected in the near future

The level of bids at Friday's Treasury bill tender underlined market nervousness, with only £329.64m bid for £300m bills, compared with £554.79m for a similar number the previous week. The average rate of discount rose to 14.7581 per cent from 13.4868 per cent, indicating a rise of 1¼ per cent to 15½ per cent in MLR, under the market related formula terminated in May last year.

In New York on Friday prime rates were 15¼-15½ per cent; Federal funds 13½-13¾ per cent; 13-week Treasury bills 12.04 per cent; and 26-week bills 12.04 per cent.

GOLD

	November 9		November 8	
Gold Bullion (fine ounce)				
Close	$390-391	(£186¼-187¼)	$389-391	(£176¼-177¼)
Opening	$391-393	(£187-188)	$392-394	(£176½-177½)
Morning fixing	$389.75	(£186.887)	$392.50	(£187.297)
Afternoon fixing	$389.50	(£186.230)	$389.50	(£185.553)
Gold Coins				
Krugerrand	$403-404	(£192½-193½)	$400-401½	(£191¼-192¼)
Mapleleaf	$405-410	(£193-197)	$404-409	(£193½-197½)
New Sovereigns	$100¾-101¾	(£48-49)	$101-103	(£48¼-49¼)
King Sovs.	$109-111	(£52-53½)	$110-112	(£52½-54)
Victoria Sovs.	$110-112	(£52¼-53¾)	$111-113	(£53-54½)
Fr 20 Napoleon	FFr405-415	(SFr159½-161½)	FFr410-420	(SFr160-168)
50 pesos Mexico	$483-485		$485-487	
100 Cor. Austria	$378-381		$381-384	
$20 Eagles	$500-503		$499-503	
$10 Eagles	$267-272		$260-275	
$5 Eagles	$222-242		$225-245	

OTHER MARKETS

Nov. 9	£	$		£ Note Rates
Argentina Peso	3305-3325	1580-1640	Austria	26.90-27.20
Australia Dollar	1.9130-1.9170	0.9150-0.9155	Belgium	61.80-62.40
Brazil Cruzeiro	64.53-65.53	30.85-31.30	Denmark	11.07-11.15
Finland Markka	7.9500-7.9700	3.8125-3.8145	France	8.77-8.84
Greek Drachma	78.094-79.976	37.35-37.90	Germany	3.74-3.77
Hong Kong Dollar	10.48-10.50	5.0225-5.0345	Italy	17.20-17.76
Iran Rial	146.95-153.75	70.25-73.50	Japan	5.08-5.15
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Rate given for Argentina is free rate.

THE DOLLAR SPOT AND FORWARD

Nov. 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0835-2.0975	2.0915-2.0925	par-0.10c dis	−0.29	0.07-0.17dis	−0.23
Ireland†	2.0600-2.0675	2.0600-2.0650	0.60-0.40c pm	2.91	1.05-0.75 pm	1.74
Canada	1.1850-1.1908	1.1903-1.1906	0.12-0.08c pm	1.01	0.44-0.40 pm	1.41
Nethlnd.	1.9920-1.9955	1.9940-1.9955	0.86-0.76c pm	4.87	2.63-2.53 pm	5.17
Belgium	29.00-29.03½	29.01½-29.03	3.7-2.7c pm	1.32	12½-11 pm	1.62
Denmark	5.3055-5.3095	5.3090-5.3095	1.5-1.75ore dis	−3.39	3.75-4.25dis	−3.01
W. Ger.	1.7915-1.7950	1.7940-1.7950	1.0-0.90pf pm	6.35	3.05-2.95 pm	6.69
Portugal	50.37-50.57	50.47-50.57	[illegible]	−4.75	30-65 dis	−3.76
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

[illegible]

Belgian rate is for convertible francs. Financial franc 62.00-62.10. Six-month forward dollar 0.17-0.07c pm. 12-month 1.25-1.15c pm.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.90-15.00 per cent; three months 15.30-15.40 per cent; six months 14.95-15.05 per cent; one year 13.90-14.00 per cent.

[illegible]

Long-term Eurodollar two years 13-13¼ per cent; three years 12½-12¾ per cent; four years 12½-12¾ per cent; five years 12½-12¾ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

LONDON MONEY RATES

[illegible]

Local authority and finance houses seven days notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 14-14¼ per cent; four years 14-14¼ per cent; five years 14-14¼ per cent. ● Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15-15¼ per cent; four-month trade bills 15¾ per cent.

Approximate selling rates for one-month Treasury bills 14¾ per cent; two-months 14¾ per cent; three-months 14¾ per cent. Approximate rate for one-month bank bills 14¾ per cent; two-months 15-15¼ per cent; and three-month 15¼-15½ per cent; one-month trade bills 16¼ per cent; two-months 16¼ per cent and three-months 16¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from November 1, 1979. Clearing Bank Deposit Rates for sums at seven days notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 14.7581 per cent.

CURRENCY RATES

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tst.	100.0	105.8	-0.4	3.33
Abbey Capital	32.5	34.8	+0.4	5.85
Abbey Income	38.4	41.1	+0.1	8.99
Abbey Inv. Tst. Fund	31.0	33.2	-0.2	6.87
Abbey Gen. Trust	43.3	46.3	+0.3	5.84
Equitas Prog. Trust	64.5	68.0xd	+0.5	5.46

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	93.5	98.5xd	----	12.20

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	67.0	72.7	+0.3	6.69
Brit. Inds. Fund	64.6	69.1	+0.2	5.98
Growth & Income	37.4	40.0	+0.2	6.00
Elect. & Ind. Dev.	33.6	36.0xd	+0.2	5.83
Allied Capital	67.4	72.1	+0.4	5.69
Hambro Fund	107.2	114.7	+0.3	6.41
Hambro Acc. Fund	127.9	136.9xd	+0.9	5.88
Income Funds				
High Yield Fd.	66.8	71.5	----	9.79
High Income	62.5	66.9	+0.3	8.52
A. H. Eq. Inc.	37.5	40.1	+0.1	8.60
International Funds				
International	24.9	26.6	----	3.02
Pacific Fund	36.9	39.5	-0.1	3.22
Secs. Of America	53.4	57.1	+0.5	2.65
Specialist Funds				
Smaller Co.'s Fd.	44.6	47.7	-0.2	4.72
2nd Smlr. Co's Fd.	52.2	55.9	-0.2	4.83
Recovery Sits.	103.6	110.9	----	6.54
Met. Min. & C'dty.	45.8	49.0xd	+0.1	5.31
Overseas Earnings	53.2	56.9	+0.3	5.80
Exempt Funds♦				
4 Far East Exempt	44.4	46.2xd	----	3.83
Smaller Co. Exempt	67.0	70.3xd	-0.1	5.22
U.S.A. Exempt	92.1	95.8	+0.8	3.65

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Nov. 2	194.4	207.3xd	----	5.47

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.1	19.2	----	6.04
Gt. Winchester O'seas	19.1	21.9	----	2.56

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	72.7	76.4	----	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	67.1	70.6	+0.6	5.36

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	24.2	26.2	----	3.24
Accum. Units	29.4	31.8	----	3.24
J. Finlay High Income	31.0	33.5	----	10.00
J. Finlay Euro.Fin.	24.0	25.8xd	----	5.47
Accum. Units	29.6	31.9xd	----	5.47
J. Finlay Fd.In.Tst.	27.0	29.1	----	6.35

Prices on Nov. 7. Next dealing Nov. 14.

Prices on Nov. 7. Next dealing Nov. 14.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	47.2	50.2	----	1.44
American Turnaround	48.2	51.2	----	2.00
Capital Tst.	47.6	50.6xd	----	5.35
(Accum. Units)	47.6	50.6	----	5.35
Income Tst.	106.0	112.6	----	8.50
Int. Growth Fd.	38.2	40.6xd	+0.2	2.46
(Accum. Units)	40.6	43.0	+0.4	2.46

Friends' Provdt. Unit Tr♦ Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	44.0	47.0xd	+0.9	5.43
Do. Accum.	60.7	64.9	+1.2	5.43

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Nov. 8	100.3	102.3xd	-4.7	5.67
Gross Inc. Nov. 8	73.3	75.1	-3.0	10.4
High Yield Nov. 8	78.4	81.3	-8.4	10.58

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	97.0	103.1	-1.2	4.00
Do. Acc.	120.5	128.1	-2.6	4.00
G.T. Inc. Fd. Un.	158.5	168.6	-4.1	9.60
G.T. U.S. & Gen.	130.8	139.1xd	-2.3	3.00
G.T. Japan & Gen.	72.2	76.3	-2.9	2.90
♦Gt. Pens. Ex.Fd.	212.6	223.1	----	4.8
G.T. Int'l. Fund	147.1	156.4	----	2.40

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Oct. 29	101.7	107.0	----	9.32
General Oct. 29	69.7	73.4	----	6.22
Intnl. Oct. 29	41.8	44.0	----	3.66

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gen. Nov. 7	52.6	56.0	----	6.20
Acc. Uts. Nov. 7	71.9	76.5	----	6.20
Merc. Int. Nov. 7	68.8	73.2	----	4.41
Acc. Uts. Nov. 7	76.1	81.0	----	4.41
Merc. Ext. Oct. 25	274.6	286.8	----	5.61
Accm. Units Oct. 25	343.4	357.7	----	5.61

Midland Bank Group
Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head. Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	73.1	80.1xd	----	4.92
Do. Accum.	89.1	97.6	----	4.92
Overseas Growth	32.3	34.9	+0.2	3.30
Do. Accum.	35.4	38.3	+0.3	3.30
Capital	24.0	25.9	----	5.15
Do. Accum.	26.9	29.1	----	5.15
Income	48.4	52.1	+0.2	7.86
Do. Accum.	59.5	64.1	+0.2	7.86
North American	33.9	36.7	+0.3	2.85
Do. Accum.	36.8	39.8	+0.4	2.85
High Yield	55.0	59.3xd	+0.1	9.60
Do. Accum.	63.9	68.9	+0.1	9.60
Equity Exempt*	100.0	105.6xd	----	6.21
Do. Accum.*	102.8	108.5	----	6.21
Japan & Pacific	33.2	36.0	----	1.59
Do. Accum.	33.5	36.3	----	1.59

*Prices at Nov. 9. Next dealing Nov. 16.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Nov. 5	37.3	39.3	----	7.44
Exempt Oct. 31	96.6	100.6	----	6.67

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	51.7	54.4	----	3.90

Murray Johnstone U.T. Mgnt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	66.3	70.6	----	2.80

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	49.6	52.9	-0.1	7.84
Mutual Inc. Tst.	67.4	72.4	-0.4	8.21
Mutual Blue Chip	42.7	46.4	-0.2	7.26
Mutual High Yld.	50.2	53.7	-0.1	10.43

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 8555.

Income Nov. 7	155.6	161.4	----	6.98
(Accum. Units)	220.8	229.0	----	6.98
Capt. Nov. 7	128.4	133.2	----	4.11
(Accum. Units)	160.0	166.0	----	4.11

Target Tst. Mngrs. Ltd.♥ (a)(g)
31, Gresham St., EC2. Dealings: 0296 5941

Commodity	47.2	51.0	+0.2	3.54
Financial	61.4	66.7	+0.1	5.08
Equity	38.3	41.9	+0.8	6.90
Exempt Inc. Nov. 7	212.1	228.1	----	7.21
Exempt Accum.	302.2	324.9	----	7.21
Gilt Accum.	117.5	123.5	-1.4	3.50
Growth	28.2	30.5	+0.2	5.74
Pacific Income	22.6	24.4	-0.1	2.24
Pacific Accum.	25.8	27.9	-0.1	2.24
Investment Trust	27.7	29.9	-0.3	4.83
Professional Nov. 7	153.5	165.0xd	----	5.64
Income	24.0	25.9xd	-0.2	11.12
Preference Share	12.0	13.2xd	----	12.80
Special Situations	20.0	21.6	+0.3	6.90

Target Tst. Mngrs. (Scotland) (a)(b)
19, Athol Crescent, Edin. 3. 031-229 8621/2

American Eagle	26.2	28.3	+0.5	2.30
Thistle	39.4	42.6xd	+0.5	7.57
Extra Income	54.2	58.6	-0.1	11.42

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	20.7	21.7	+0.1	9.72

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT Nov. 1	51.7	55.1	----	5.82

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican Nov. 8	73.1	77.8	----	7.26
(Accum. Units)	118.3	125.9	----	7.26
♦Barb. Expt. Oct. 31	75.2	78.4	----	3.96
Buckhm. Nov. 8	77.5	82.5	----	6.00
(Accum. Units)	99.0	105.3	----	6.00
Colemco Nov. 9	125.1	132.5	-6.3	7.68
(Accum. Units)	161.9	171.5	-8.1	7.68
Cuml. Nov. 7	50.1	54.0	----	8.58
(Accum. Units)	59.2	63.8	----	8.58
Glen Nov. 6	53.7	57.6	----	4.79
(Accum. Units)	72.2	77.4	----	4.79
Marlboro Nov. 6	47.9	49.7	----	2.86
(Accum. Units)	56.7	58.8	----	2.86
Van. Grwt. Nov. 6	48.2	50.7	----	4.56
(Accum. Units)	61.3	64.4	----	4.56
Van. Hy. Nov. 6	67.3	70.9	----	9.31
Vang. T'ee Nov. 7	43.7	45.9	----	6.61
(Accum. Units)	48.1	50.6	----	6.61
Wickmr. Nov. 9	61.3	65.9	-3.3	10.13
(Accum. Units)	76.4	82.0	-4.1	10.13
Wick-Div. Nov. 2	64.6	69.3	----	9.43
Do. Accum.	80.5	86.3	----	9.43

Tyndall Managers Ltd.♥
18, Canynge Road, Bristol. 0272 32241

North Amer. Grth. Fd.	----	50.0	----	----
Income Nov. 7	89.0	93.6	----	10.61
(Accum. Units)	175.8	184.6	----	10.61
Capital Nov. 7	129.4	136.0	----	5.44
(Accum. Units)	190.2	199.8	----	----
Exempt Nov. 7	106.0	111.4xd	----	9.96
(Accum. Units)	163.6	171.8	----	9.96
Int. Earns. Nov. 12	232.0	246.0	+1.4	6.96
(Accum. Units)	273.8	290.4	+1.8	6.96
Pref. Nov. 7	102.2	108.4	----	13.54

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			Price	Last xd	Int.	Red.
30J	30J	FFI 13pc 1981	96¼	2.7	13.39	15.63
20J	20D	Do. 14pc '83	96	21.5	14.54	15.16
31 Mr	30 S	ICFC 5½pc Deb. '80-82	80½	30.9	6.90	13.78
31My	30N	Do. 6¼pc Db. '81-84	71½xd	22.10	8.74	14.40
11J	11J	Do. 10½pc Uns.Ln. '86	87½	4.6	12.54	14.60
11J	11J	Do. 11pc Uns.Ln. '88	88½	4.6	13.01	13.90
11J	11J	Do. 11¼pc Uns.Ln. '90	89½	4.6	13.80	14.60
30J	31D	Do. 7¼pc A Deb. '89-92	61	4.6	12.60	14.70
31Mr	30S	Do. 7¼pc A Dtr. '91-94	55½	30.9	13.36	15.00
31Mr	30S	Do. 9pc 'A' '91-94	67	30.9	13.74	14.80
28F	31A	Do. 8¾pc Ln. '92-97	63½	16.7	14.36	15.00
—		Do. 12½pc Uns.Ln. 1992	89	13.8	14.19	14.60

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—		Barymin	67	—	—	—	—
—		Burma Mines 17½p	12½	575	—	—	—
Aug.	Feb.	Cons. Murch. 10c.	320	27	Z030c	—	5.4
—		Northgate C$1	330	30.9	—	—	—
Jan.	July	R.T.Z.	272xd	5.11	†11.5	3.4	6.0
—		Robert Mines	15	—	—	—	—
—		Sabina Inds. C$1.	32	—	—	—	—
—		Tara Expln. $1	495	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✠ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 32

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The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

OPTIONS

3-month Call Rates

FINANCIAL TIMES

Monday November 12 1979

NATO works on East-West arms control proposals

BY REGINALD DALE, EUROPEAN EDITOR

WESTERN GOVERNMETS are working on a large package of East-West arms control proposals to be launched next month by NATO. The move will be the West's political response to President Brezhnev's East Berlin "Peace initiative" of October 6.

The Western offer could involve the unilateral withdrawal of 1,000 U.S. nuclear warheads from Western Europe, a serious attempts to unblock the long-stalled force reduction talks in Vienna and readiness to discuss long-range "European theatre" nuclear weapons in the next round of the strategic arms limitation talks—Salt III—between Washington and Moscow.

At the same time, the West would respond positively to the Soviet President's call for further "confidence building measures" under which both sides would reveal details of major military manoeuvres.

The NATO countries have for many months intended to make an arms control initiative at their Ministerial meeting in Brussels in mid-December. The aim is to combine an offer of negotiations with the planned NATO decision to produce a new generation of U.S. nuclear missiles for deployment in Western Europe.

The scope of the Western offer looks likely to be considerably wider following the Brezhnev initiative. Mr. Brezhnev said last month he was ready to withdraw up to 20,000 Russian troops and 1,000 tanks from East Germany and negotiate a reduction in the number of nuclear missiles in the Western part of the Soviet Union targeted at Western Europe.

By apparently offering concessions, Mr. Brezhnev was clearly trying to persuade NATO Governments to renounce, or at least postpone giving the go-ahead to the new U.S. missiles which could strike Soviet territory from Western Europe. But many Western officials believe that new East-West negotiations will still be possible if NATO approves the plan to modernise its forces, given that the new Pershing and Cruise missiles will not be ready for deployment until 1983.

The idea of withdrawing 1,000 nuclear warheads from Western Europe is likely to be discussed at this week's meeting in The Hague of Defence Ministers in NATO's Nuclear Planning Group. No final decisions will be taken, but Ministers could make some judgment as to whether it would be militarily acceptable.

The NATO countries first offered to withdraw 1,000 nuclear warheads, plus 54 nuclear-capable F-4 aircraft and 36 Pershing missiles in the negotiations at the end of 1975. force reduction negotiations at the end of 1975. Then the offer was conditional on a Soviet response that included the withdrawal of 1,500 tanks from Central Europe.

This time, the Western warhead withdrawal would be a unilateral move. The warheads involved would probably be largely outdated free-falling bombs and nuclear mines that Washington has long regarded as superfluous to its military requirements in Europe.

At the same time, the Western Allies are considering a West German proposal for reanimating the troop reduction negotiations in Vienna. Reports from Bonn and Washington last week suggested that the aim would be to offer a withdrawal of 12,500 to 13,000 U.S. troops from Central Europe in exchange for a Soviet reduction of 30,000.

This compares with a long-standing Western proposal for the withdrawal of 29,000 U.S. troops in exchange for 68,000 Russians. It is not clear how the dispute over the actual number of troops on the ground in Central Europe, which has long-blocked the Vienna negotiations, would be resolved.

The West would also want to push ahead with Salt III negotiations which would for the first time include intermediate-range "theatre" nuclear weapons in the Soviet Union and Western Europe. So far the U.S. has refused to include these in Salt because Moscow was not prepared to put its own equivalent weapons on the bargaining table.

Now, however, Moscow has agreed, in the Salt II talks, to the principle of reciprocal reductions.

In contacts with Moscow since the Brezhnev initiative, the West has managed to clarify some aspects of the Soviet proposals. Moscow has, for example, given an assurance that the troops and tanks to be withdrawn from East Germany would be pulled back to the Soviet Union.

The different elements of the Soviet proposals would be discussed in the appropriate existing negotiating bodies, rather than in a new disarmament conference, according to Moscow. Both sides will want to pursue the confidence-building measures at next year's review in Madrid of the 1975 East-West Helsinki Agreements on Security and Co-operation in Europe.

BP talks on £100m HQ deal

BY MICHAEL CASSELL

BRITISH PETROLEUM is having discussions with Whitbread and Trafalgar House about the possible purchase of the 440,000 sq ft City office complex which the two latter companies are now developing.

If the deal goes ahead it could involve a purchase price above £100m and would be one of the largest property transactions in the UK.

BP said last night that any statement concerning the Chiswell Street development, which is close to the company's existing headquarters complex in Moor Lane, City, would be "very premature."

It is known that BP is looking for space to house some of its headquarters staff, now approaching 4,000 people. At least some of the office accommodation now occupied in the Moor Street area is old and considered to have a fairly short operational life ahead of it.

At present, BP occupies space in Britannic House and in two adjoining office blocks, North Britannic House and Longbow House. It is thought that Britannic House would remain as an operational centre if any deal on the Chiswell Street site went ahead.

Office blocks

BP Petroleum Development, which is responsible for North Sea operations, is moving out of the Moor Street complex. It is going to the Finsbury Square premises previously occupied by Fluor (UK), the petro-chemical contractors who have taken the Euston Square office scheme.

In May, 1978, Whitbread and Trafalgar House concluded partnership arrangements to develop two office blocks on the Chiswell Street site, owned by the brewing group. The two buildings are now under construction, with the first due for completion next year and the second following sometime in 1981.

It is understood that the two companies are also having talks with other potential purchasers of at least one of the office blocks, though this may involve an investment deal rather than acquisition by a potential occupier.

Trafalgar House is currently one of the most active UK property development companies and its broad policy is to sell off completed schemes rather than retain them to include in its own property portfolio. For Whitbread, the sale of the Chiswell Street complex will represent the very welcome conversion of some unwanted land assets into cash.

Question of boom or bust. Page 18

THE LEX COLUMN

The gilt-edged challenge

The collapse of confidence in the gilt-edged market over the last week or so has been positively alarming, with falls of a point or more being recorded six days running. This should be the week in which the authorities regain control, but it does not promise to be an easy task.

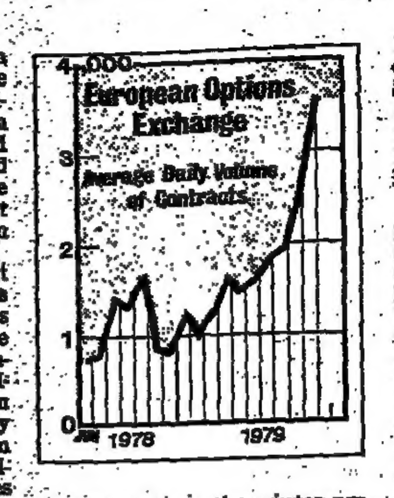
There is, of course, a price at which every fund manager is prepared to swallow enormous amounts of tap stock. But the present climate is peculiarly unhelpful. Previous shock funding programmes have taken place after periods of gradually declining expectations, which an abrupt rise in Minimum Lending Rate and cosmetic measures (such as Mr. Healey's raising of employers' National Insurance contributions) have managed to reverse. This time there has been sudden disillusionment—some fund managers must be wishing they had never heard of Sterling M3.

Friday's figures for central Government borrowing in October showed that public spending has still been overshooting—otherwise the £540m rise in the Customs and Excise take, as higher-rate VAT was paid in, should have led to a net repayment over the month. Borrowing in November will be boosted by the fall in income-tax receipts, and no one now dares believe that bank lending to the private sector is slowing.

In these circumstances, and given its present methods of monetary control, the Government must sell a good deal of stock quite soon, and as much as possible in what is left of the banking month to mid-November. This probably means no more than the remnants of the medium and long taps—perhaps £700m together—as a new stock announced next Friday would come too late to be subscribed within the present month. The cutting of the tap prices will have to be brutal: taking accrued interest into account, Exchequer 12 per cent 1999/2002 "A" is more than 12 points below the level at which the Government broker last supplied it.

Liquidity is not a particular problem, but it may not be as high as the recent lack of funding would suggest. The British institutions seem to have bought a good deal of stock from overseas investors, and the repayment of back-to-back currency loans in the last few months has diverted funds from the gilt-edged market.

If yields of 15 per cent are to look alluring, it must be on the basis that as the winter progresses and public spending cuts bite into the borrowing requirement, the problems of monetary control should look less severe. But in its present mood, the market sees nothing very comfortable in the early months of 1980—retail price inflation pushing up to, and perhaps above, 20 per cent, and coming down only slowly. The Government Broker will need all his salesmanship this week.



European options

In the past six weeks the European Options Exchange in Amsterdam has been shaken into some kind of life. Last Wednesday the number of contracts hit a record 5,600—not far short of the 6,000 daily average required for the sophisticated exchange to cover its costs.

It will still be a long time before the break-even point is reached on a regular basis: in the last six weeks the daily average has been running at about 3,500 contracts. However, this is more than twice the average volume in the spring, when First Options of Amsterdam, one of the leading clearing members, announced it was pulling out.

Probably the key element in the improved performance was the introduction in March this year of put options, which confer the right to sell shares at a future date at a fixed price. With the falling markets of recent weeks this has become an attractive way for the institutions and market operators to protect themselves. On Wednesday last week, for example, there were 2,600 puts, nearly half the total contracts.

The falling market has also brought some much-needed volatility to the underlying Dutch shares which still make up the bulk of trading on the exchange. However, the volume of options on the French and UK shares is still pitiful, and in the U.S. shares not much better. The number of options taken out on Belgian stocks, particularly Petrofina, looks more promising.

The next big improvement in performance could come in the spring, by which time the West German authorities are likely to have allowed German options to be traded. All the same, while the long-term future of the exchange looks more secure than earlier in the year, the average daily volume is unlikely to top the break-even point much before 1981. The contrast with the Chicago options exchange, which jumped from an average daily volume of 8,500 in its first year to 22,500 in its second, could not be sharper.

Barclays American

When Barclays decided to buy American Credit Corporation for $191m last year it caused a few raised eyebrows. Until then the traditional route for foreign banks expanding in America was either to buy a fully-fledged bank or set up a branch.

By going into the unglamorous business of small scale consumer lending Barclays avoided paying the embarrassingly high prices that some other foreign banks had paid. In addition, it neatly sidestepped the ban on interstate banking since the 360 offices in 22 states were not regarded as banks.

However, the move had its disadvantages in some bankers' eyes. Unlike a bank, a consumer finance company does not have a captive deposit base, a factor that has attracted many foreign banks anxious to get their hands on dollars. In addition, in times of rising interest rates finance companies tend to be squeezed both on their financing costs and their bad debt experience. After the last dramatic rise in U.S. interest rates American Credit's net income collapsed from $13.2m to $6.6m between 1973 and 1974.

Consequently, now would not seem to be the best time to increase exposure to this market. But Barclays must be convinced that this is not the case, given its decision to pay nearly $200m for another 158 consumer finance offices in 12 states. With accounts receivable of around $190m if the deal goes through, Barclays American will have close to 500 offices and receivables of over $1bn.

Italy nears 20% rate of inflation

By Rupert Cornwell in Rome

A FRESH SURGE in prices last month, has drawn Italy closer to the prospect of 20 per cent inflation rate. Also the country's external trade accounts have again slopped heavily back into the red.

Prices rose 2-3 per cent in October, making a year-on-year increase of 18.2 per cent according to figures issued by ISTAT the National Statistics Institute. In the first ten months of this year the increase in prices was 16.3 per cent.

The steadily accelerating pace of inflation can only add to the troubles of the fragile minority Government of Sig. Francesco Cossiga, under fire because of its failure to get to grips with the country's increasing economic problems.

Moreover, the latest figures increased the chances of a new deflationary twist to monetary policy in particular, especially if the lira starts to come under pressure in the European Monetary System, and the international escalation of interest rates goes on.

Refiners in UK may fare best in BNOC sale

BY RAY DAFTER, ENERGY EDITOR

REFINERS IN the UK, notably British Petroleum, are expected to obtain the lion's share of £500m worth of oil being sold by British National Oil Corporation.

Negotiations with potential buyers of the oil, on offer under forward-sale terms, are nearing completion and a statement about the sale's progress is thought to be imminent.

British Petroleum, which has been losing supplies from traditional sources, has been anxious to obtain a big proportion of BNOC's future production.

It is thought that BNOC will raise the money—needed to reduce the Government's Public Sector Borrowing Requirement—by the forward sale of about 120,000 barrels a day over a period of nine to 12 months. The purchase price will be payable probably within the next few months, with deliveries extending through 1980.

The oil covered by the sale will be a relatively small part of the corporation's available oil next year. The corporation is expected to handle an average of 900,000 b/d. Of this, about 100,000 b/d could come from its own equity interests in North Sea fields (together with oil from British Gas Corporation's interests). About 500,000 b/d might be obtained through state participation arrangements with other companies. A further 300,000 b/d would be obtained by the government in lieu of royalty payments.

North Sea crude oil is now being sold for about $25 to $26.30 a barrel. The price is likely to rise significantly next year if, as expected, the Organisation of Petroleum Exporting Countries agrees to raise its prices from January 1.

It is clear that BNOC could have obtained substantial premium payments for its assured supplies in 1980. Spot market prices for crude oil, similar to the types produced in the North Sea, have risen to about $45 a barrel.

The corporation has said that it has rejected such premiums in favour of assurances that most of the oil sold will be refined in the UK.

BP, one of the leading British refiners, is an obvious potential customer. Its supplies from traditional OPEC producing countries have been greatly reduced in recent months to a point where it is being forced on to the spot market to obtain sufficient oil to meet its refinery needs. Until recently, BP had access to so much oil that it was one of the world's biggest crude oil traders.

As a measure of its new supply position, BP has found that it can rely on its five leading OPEC sources for no more than about 1.1m b/d, against 3m b/d last year and 4.3m b/d in 1974.

In its share sale prospectus, the company states that the level of supplies next year is still uncertain. The company is still negotiating with BNOC and certain OPEC countries.

The forward sale of oil by BNOC was accepted as a money-raising scheme by the Government as an alternative to the disposal of state oilfield assets. Mr. David Howell, Energy Secretary, had originally asked the corporation to draw up a list of assets that might be sold to raise about £400m.

Union chief seeks sale of steel works

By Our Labour Correspondent

THE GOVERNMENT is to be urged by a steel union leader to consider selling to private owners the British Steel Corporation's Corby and Shotton works, where 12,000 redundancies are proposed.

Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said yesterday that private buyers had expressed interest in both plants, where iron and steel making is to cease by March.

There is little likelihood that BSC would agree to sell the plants. Mr. Sirs said private buyers were interested in taking over the whole of the two works, while it is BSC's intention to retain the tube mills at Corby and the coatings works at Shotton.

● The first cargo of iron-ore is due to be landed at BSC's Hunterston terminal in Ayrshire today after settlement of an inter-union dispute.

Weighell urges Callaghan to go

BY PHILIP RAWSTORNE

MR. SID WEIGHELL, moderate leader of the National Union of Railwaymen, yesterday called on Mr. James Callaghan to resign as leader of the Labour Party.

He said on Tyne-Tees Television's "Face the Press": "I'm beginning to share the view that if he is going to go in the next year or two, it might well be the best time to go now."

Mr. Weighell, whose union voted in support of Mr. Callaghan against the Left-wing at the Labour conference, said there was a group in the party's national executive who were constantly trying to undermine Mr. Callaghan's standing as leader.

"So long as that goes on, I think it would be better for him to go and let somebody else come in," he declared.

But Mr. Weighell made it clear that he intended to continue the fight against the Left's bid for control of the party.

The party inquiry had been deliberately rigged in an attempt to provoke union leaders into abandoning it, he claimed—"but I don't intend going down that road."

Mr. Ron Hayward, Labour's general secretary, and Mr. Norman Atkinson, the party's Left-wing treasurer, who had allowed the party to drift into its present "deplorable state," should both resign, he declared.

Last night Mr. Atkinson said that Mr. Weighell was not justified in calling for his resignation.

"The accounts are not in a mess — although there is a deficit in the main, brought about by those working for the Labour Party claiming parity with those employed by the NUR in similar capacities," he said.

Labour's national executive came under further attack from Mr. Denis Howell, Labour MP for Small Heath and president of APEX — the clerical workers' union.

Constant feuding and the pursuit of an ultra-left doctrine would bring the party to disaster, he warned, and the executive had to be made to face the political facts.

"If they do not, we shall soon have a smaller, politically elitist, Left-dominated party with which trade unions and moderate voters will not identify."

Continued from Page 1

Iran

concentrated in a few areas such as Louisiana, Texas and southern California.

The White House has rejected as "invalid" a petition seeking extradition of the Shah from the U.S., purportedly signed by more than half the hostages. Mr. Jody Powell, the Press secretary, said if it was authentic it was written under duress, and would therefore be ignored.

● In London seven people were arrested yesterday after rival Iranian factions gathered in Hyde Park for meetings. Scotland Yard said the demonstrations were mainly peaceful, and those arrested had mostly been charged with obstruction.

● West Germany has urged its estimated 1,700 citizens in Iran to withdraw gradually and carefully.

Pressure on Britain over lamb

BY MARGARET VAN HATTEM IN BRUSSELS

BRITAIN is likely to come under pressure from her EEC partners this week to relax her tough stand against helping French sheep farmers at the expense of the Community taxpayer.

The prolonged negotiations to include lamb and mutton in the Common Agricultural Policy have been soured in the past two months by France's refusal, in defiance of the European Court of Justice, to lift curbs on imports of British lamb.

But last week the Commission opened proceedings to take the French to court again on this issue.

There are signs that the other countries feel this takes care of the legal problem for the moment. Meanwhile they are keen to agree on a common policy for lamb before the Commission brings down its next major batch of proposals.

These include a package aimed at cutting the Community's two big surpluses, sugar and dairy products, due to be published at the end of this month; and the farm price proposals for next year, expected in December.

Two main questions remain to be settled—how to limit lamb imports into the EEC from non-EEC suppliers such as New Zealand, Australia and Eastern bloc countries; and how to protect EEC farmers, primarily the French, against the drop in prices likely to result from free trade in lamb.

France has been taking a tough protectionist stand on both points, but appears to have lost the first. The Commission has approached most non-EEC suppliers and is keen to begin negotiating voluntary restraint agreements.

The Commission and the other seven EEC members appear to have more sympathy with France's insistence that the Community should help its farmers whose prices are likely to drop when cheap British lamb is freely available.

Mr. Finn-Olav Gundelach, the Farm Commissioner, said recently that he considered Mr. Peter Walker, the Agriculture Minister, "too negative" in insisting that help for French farmers come out of the French national Budget.

The UK has neither confirmed nor denied rumours that it is about to ask for a further green pound devaluation, a request which would almost certainly be used as leverage to settle the lamb issue.

Weather

UK TODAY

FROST IN many parts. Showers and snow on high ground in N. England and Wales.

S.E. England and East Anglia

Mainly dry. More cloudy later. Max. 10C (50F).

Cent. S. England, Midlands

Dry at first, becoming cloudy. Rain later. Max. 10C (50F).

E., N. England, Borders, S.W. Scotland, N. Ireland, N. Wales

Showers, wintry at times especially over high ground. Max. 9C (48F).

Channel Isles, S.W. England, S. Wales, rest of Scotland, Orkney and Shetland

Showers with bright intervals. Max. 10C (50F).

OUTLOOK: Mainly dry but windy wet weather spreading to some westerly areas later.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	13	55	London	F	10	50
Algiers	S	15	59	Los Ang.	F	22	72
Amsdm.	C	7	45	Luxmbg.	C	1	34
Athens	F	22	72	Madrid	S	10	50
Bahrain	S	30	86	Majorca	S	15	59
Barclna.	S	15	59	Malaga	S	18	64
Beirut	S	26	79	Malta	S	18	64
Belfast	R	7	45	M'chstr.	R	6	43
Belgrd.	R	7	45	Melbne.	R	24	75
Berlin	S	7	45	Milan	F	9	48
Biarritz	C	11	52	Mntreal.	R	6	43
Bmghm.	F	7	45	Moscow	C	2	36
Blackpl.	R	6	43	Munich	C	2	36
Bordx.	R	9	48	Nairobi	C	17	62
Bristol	C	10	50	Naples	C	13	55
Brussels	S	7	45	Nwcstl.	R	8	46
B. Aires	F	20	68	N. York	R	18	64
Cairo	C	25	77	Nice	S	16	61
Cardiff	C	10	50	Nicosia	F	23	73
Cas'b'ca	S	18	64	Oporto	S	15	59
Chicago	C	1	34	Oslo	Sn	−5	23
Cologne	S	17	45	Paris	S	10	50
Cpnhgn.	R	5	41	Perth	F	24	75
Dublin	C	11	52	Prague	C	3	37
Dbrvnk.	C	14	57	Reykjvk.	S	−7	19
Ednbgh.	R	4	39	Rio J'o	C	25	77
Faro	F	15	59	Rome	R	12	54
Florence	C	8	46	Salzbrg.	Sn	2	36
Frankft.	S	5	41	S Frisco	F	18	64
Funchal	C	18	64	Singapr.	R	28	82
Geneva	S	6	43	Stckhm.	F	2	36
Gibrltr.	F	17	63	Strasbg.	S	6	43
Glasgow	R	4	39	Sydney	R	24	75
G'nsey	C	10	50	Tangier	S	19	66
Helsinki	C	3	37	Tehran	S	13	58
H. Kong	S	27	81	Tel Aviv	S	24	75
Innsbrk.	Sn	1	34	Tenerife	S	16	61
Invrnss.	F	3	37	Tokyo	C	22	72
Istanbul	S	18	64	Tunis	S	16	61
Jersey	F	11	52	Valencia	S	13	55
Jo'burg	F	22	72	Venice	C	7	45
L. Plms.	C	20	68	Vienna	C	5	41
Lisbon	S	12	54	Warsaw	Fg	1	34
Locarno	F	12	54	Zurich	S	5	41

C—Cloudy. F—Fair. Fg—Fog. R—Rain. Sn—Snow.

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